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Latin America Report

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WORLD BANK APPROVES IDA AID TO FIVE OECS STATES

FL261935 Bridgetown CANA in English 1748 GMT 26 Dec 85

[Text] Washington, Dec 26--Five members of the Organisation of Eastern Caribbean States (OECS) will receive limited amounts of concessional assistance on a temporary basis through the World Bank's soft loan affiliate--the International Development Association (IDA), the World Bank reported today.

The OECS beneficiaries, all members of the World Bank, are Dominica, Grenada, St Lucia, St Christopher and Nevis, and St Vincent and the Grenadines.

The OECS comprises seven countries, including Antigua and Barbuda and Montserrat. They had been complaining about the possibility of not having access to IDA funds because of their high per capita incomes.

Today's World Bank statement said the benefits could also apply to the Pacific Kingdom of Tonga, when the current analysis of its per capita income and creditworthiness is completed.

The five Eastern Caribbean countries to receive concessional aid have per capita incomes about 790 U.S. dollars, the level beyond which countries normally are not eligible to receive IDA funds. The per capita income of the five countries range from 880 U.S. dollars to 1,390 dollars.

These temporary measures were adopted by the World Bank's executive directors because the countries are considered only marginally creditworthy for the purposes of the World Bank (the International Bank for Reconstruction and Development), the statement said.

Furthermore, while they need to adjust their economic structures, their economic performance is, overall, considered to be adequate, the statement said.

The assistance will take two forms. Firstly, funding could be provided for two development projects currently being prepared for consideration in fiscal years 1986 and 1987.

Secondly, an IDA allocation to be determined for the IDA's eighth replenishment period (1988-90) will be considered in the light of historical lending levels to these countries and the availability of IDA resources.

The allocation would be used to finance projects and adjustment programmes designed to strengthen the creditworthiness of these countries.

Over the past decade, the World Bank has lent 29 million U.S. dollars to the Eastern Caribbean countries, either directly or through the Caribbean Development Bank. Virtually all of this lending has been in the form of IDA credits.

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CSO: 3298/235

REPORT ON CBI DETAILS CARIBBEAN EXPORTS TO U.S.

FL211709 Bridgetown CANA in English 1631 GMT 21 Dec 85

[Text] Port-of-Spain, Dec 21--Trinidad and Tobago's exports to the United States under the Caribbean Basin Initiative (CBI) rose by U.S.2.8 million dollars for the first half of this year, compared with the corresponding period in 1984, according to a government economic review tabled in Parliament here.

The January to June sales abroad hit U.S.7.2 million dollars this year, compared with U.S.4.4 million in the 1984 first half. The increase was 63.6 per cent.

A table of U.S. imports from other Caribbean community (Caricom) countries under the CBI shows that the earnings of Belize, St Christopher-Nevis and St Lucia went up by U.S.1.3 million, U.S.1.5 million dollars, and U.S.0.3 million respectively over the 1985 first half.

Imports from Barbados and Jamaica declined by U.S.0.5 million dollars and U.S.12.2 million dollars, respectively.

Barbados, whose CBI exports totalled U.S.6.4 million dollars January to June 1984, exported U.S.5.9 million worth for the same period this year. Jamaica's CBI exports declined from U.S.32.6 million to U.S.20.4 million, according to the table prepared by the government's statistical department.

In the case of Trinidad and Tobago, reads the review, there has been no significant increase in exports, nor has this country attracted any appreciable investment as a result of the establishment of the CBI.

This could in part be attributed to the fact that Trinidad and Tobago's major exports such as petroleum products, steel and fertilisers are not covered by the initiative.

In addition, the thrust in export development in respect of non-oil products has not yet gained full momentum, thereby limiting this country's capacity in this area of activity.

Centerpiece of Washington's two-year-old CBI is 12 years of duty free treatment for most exports from beneficiary countries in the Caribbean and Central America.

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CSO: 3298/235

BERMUDA

ELECTION RESULTS BRING POLITICAL, GOVERNMENT SHAKE-UPS

PLP Attack on NLP

Hamilton THE ROYAL GAZETTE in English 4 Nov 85 p 3

[Text]

Progressive Labour Party officials have stepped up an attack on the fledgling National Liberal Party and blamed it for preventing the Opposition holding 15 House of Assembly seats.

Public Relations Officer Sen. David Allen said a record low turnout of voters had been caused by disenchanted PLP supporters staying away from the ballot boxes.

This had allowed United Bermuda Party candidates to win seats in marginal constituencies, although they polled less votes than in the 1983 General Election.

He said: "People were demoralised because there wasn't a united Opposition. If there had not been the split which lead to the formation of the NLP we would have held 15 seats."

In the marginal Warwick East constituency, the Hon. Gerald Simons lost the 1983 election when he polled 757 votes, but won the seat at this election with 623 votes.

The two seats won in Pembroke East Central also recorded a drop in the number of UBP votes. Mr. Robert Barritt lost with 567 votes in 1983, but won with 487 while his running mate Mr. Lawson Mapp lost with 569 votes and won with 450.

The same trend was reflected in the Sandys North constituency. Mr. Colin Pearman lost with 652 votes and won with 80 less votes when he polled 572.

His running mate in the 1983 election lost with 645 votes, but his new constituency partner Mr. Ed Bailey won with 581 votes.

Sen. Allen insisted Miss Jennifer Smith would have won the marginal St. George's North for the PLP, but for the presence of a NLP candidate.

Sen. Allen said the results showed the UBP had not increased in popularity, but merely that the PLP had failed to persuade its supporters to go to the polls or had lost votes to the new party.

NLP public relations officer Mrs. Kathleen Bell said it was the shortsightedness of the PLP last year that had led to the expulsion of the six dissidents and eventually the formation of the new party.

"I would suggest if the PLP wish to compete in the next General Election they get their act together. The next time they are going to find there are 40 NLP candidates."

She said the PLP held 14 seats after the last election but their strength had now been cut in half to seven.

"The PLP have got their just deserts," she declared.

"We will be holding a post mortem into the election, looking into the level of support and how to harness that support in the next election.

"We are very pleased with our results and that we have got two men in Parliament. We are very pleased with the response from the public and it means we are wanted."

NLP candidate in the St. George's North constituency, Mr. John Rankin, dismissed claims the PLP would have won the seat and insisted their candidate could only have picked up another 12 votes.

He said he had analysed the way his supporters had split their two votes.

He said 27 people had used only one vote and plumped for him, 15 had been split with UBP candidate Mr. Phillip Smith, and 18 with his running mate Mr. Doc Hall.

He had shared 12 with the PLP's Mr. Louis Ming and 41 with Miss Smith. Two of his supporters had also voted for Independent Mr. Albari Assalaam.

Senate Changes

Hamilton THE ROYAL GAZETTE in English 7 Nov 85 p 1

[Text]

Governor Viscount Dunrossil yesterday announced a new-look line-up of Indepedent senators in the Upper House of Parliament.

Veteran Senators Mr. Arnott Jackson and Mr. Stanley Gascoigne have been replaced by retired Cabinet Secretary Mr. W. James Williams and Human Rights Commission chairman Mr. Albert Jackson.

The Hon. Hugh Richardson, President of the Senate, has been asked to remain in the Senate for another year.

Viscount Dunrossil has written to the two retiring Senators expressing deep appreciation for their long and distinguished service in the Legislative Council and then the Senate.

In letters to the retiring Senators, he reminded them they had been reappointed in 1983 for a period of only a year or two, because the time might arise to give others a chance to contribute skills and experience to the Senate.

He added: "I have given a lot of thought to this and have decided to make fresh appointments to the Senate seats which you have held for the last nine years both in the Senate and in the former Legislative Council.

"To provide an element of continuity, I have asked Hugh Richardson to continue as a Senator for another year.

"Bermudians owe a great debt to you for the years of hard work and real interest and concern that you have brought to the Senate's deliberations and I am sure that my predecessors would have wished to share in very warmly thanking you for the distinguirhed service to Parliament and the democratic process that you have given," he wrote.

UBP Senators

Hamilton THE ROYAL GAZETTE in English 9 Nov 85 pp 1, 2

[Excerpt]

Premier the Hon. John Swan yesterday drafted in three United Bermuda Party stalwarts to strengthen his Senate team.

He dropped hotel finance boss Mr. Dennis Tucker who has held a Senate seat for just nine months and picked replacements for two Senators who failed to win House of Assembly seats.

Unsuccessful candidates Mr. Francis Furbert and Mr. Reginald Minors are joined by long-time party supporter Mr. Charles Marshall in Parliament's Upper House.

Minister of Legislative Affairs the Hon. Charles Collis and outspoken businessman Mr. Llewellyn Penniston keep their positions in the important Parliamentary chamber.

The announcement completes the line up for the 11-member Senate which will now have six new faces among its ranks when it sits down to work later this month.

The Progressive Labour Party has already picked Miss Jennifer Smith, party Public Relations Officer Mr. David Allen and retiring Chairman Mr. Alex Scott for its team.

PLP Leader's Views

Hamilton THE ROYAL GAZETTE in English 7 Nov 85 p 4

[Text]

Lawyer Mr. Frederick Wade yesterday bravely announced the battered Progressive Labour Party was shrugging off a siege mentality and preparing to rebuild its strength.

The 46-year-old former teacher, who was elected to lead the Island's oldest political party last week, is now facing the major task of revamping the party.

He takes over from veteran leader Mrs. Lois Browne Evans who stepped down in the wake of the party's worst-ever election defeat as its House of Assembly strength was slashed to seven seats.

But the PLP is aready rebounding from its electoral mauling and an optimistic Mr. Wade is carefully drawing up plans to re-built the party's support.

"The PLP has been under seige for the last two years, from within and from without. I think that siege mentality has now gone," he said.

Certainly the PLP's fortunes have plummeted during the last few years. In 1980 the PLP stood on the brink of an election victory but the chance to form its first Government slipped through its fingers.

Now it is emerging from a crushing election defeat, which comes in the aftermath of a lengthy and bitter leadership row which split the party and led to the formation of the National Liberal Party.

Mr. Wade said: "When we were canvassing during this election we discovered many of our supporters were angry with us, but I think they understand what happened a little better after the campaigning.

"The turnout amongst our people was low. They may have lost some confidence in the party because of the last 18 months, but we have to go back to them and persuade them the PLP is the vehicle that represents their views best.

"We saw the election as a clearing of the air. As political realists we expected a result similar to the one we got, and that's why the party wasn't devastated by it."

He said the party had been slow to enter a slanging match with six dissidents who were later expelled, and only explained they had been fighting to defend the party's constitution at a later stage.

"It was Mrs. Browne Evans' integrity which didn't permit her to engage in the kind of mud slinging that was going on. She wasn't prepared to wash her dirty linen in public, although the party had a legitimate case."

But the split with the former PLP MPs who now head the new third party is final, and Mr. Wade ruled out a formal Opposition alliance with them in the House of Assembly.

"We are going to be working on building the PLP stronger. The NLP is another political party and we are competitors, so we will treat them as competitors.

"We intend to build a much stronger PLP and hope in the process the NLP will disappear.

"We know that the PLP Members for Change and the NLP are two different things. Many of the Members for Change did not join the NLP and we intend to see they get back into the PLP."

He added: "The party is now more unified than it has been for over ten years. We have a nice cohesive group, energised, with some clear goals, and ready to go.

"I'm fortunate that Mrs. Browne Evans has handed the party over in that state."

Mr. Wade cut his political teeth almost 25 years ago and worked his way up through the party's ranks, before holding senior positions in the Shadow Cabinet, responsible for Education, Home Affairs and Finance.

But his interest in politics began in the early 1960s when he returned from a teacher training college in Canada and took up a post at Central School.

"My classroom was a formal manual training centre. It was a basement with improper ventilation, I had a blackboard on an easle, little or no text books and whatever we had was out of date, and 45 kids.

"I had been trained in Canada where the conditions were way ahead of what we had. We still had segregated schools at the time and it was the conditions in the schools that really started my interest in politics.

"If you had a social conscience you couldn't just sit by and watch children being wiped out, not only by racialism but also by the appalling conditions.

"It was that which made me seek out the politicians at the time. You could see the ability of the children but the opportunity to teach was just made so difficult.

"We persevered and we had good results, but a lot of people were being lost along the way."

He soon joined the Bermuda Union of Teachers along with other young black teachers.

"A group of us came back from college at the same time and we moved in and replaced some of the headmasters who were running the union at that time. We tried to give it a modern look and make it a more progressive union.

"It was an attempt on my part to try and improve conditions in education but I soon realised it wasn't the civil servants who made the changes. I discovered it was politics and the minister who affected policy changes."

Bermuda's first political party was born in 1963 and Mr. Wade proudly announced he was the 312th member to sign up, and was soon working in the Devonshire Branch.

"Since then I've done all the jobs that are important in the party. From the branch it led to Central Committee, and then to PRO for the party and Chairman."

In 1968 he was elected to the House of Assembly for the Devonshire North consituency after teaming up with Mrs. Lois Browne Evans.

But a law forbidding teachers from also being elected Members of Parliament had already been passed by the legislature and he was forced to give up his teaching job.

"I decided I would take my chances and I would survive. For the four years from 1968 to 1972 I drove a taxi, I cut stone, I painted houses and then I finally decided I had better retrain.

"I decided to go into law. I had always had an interest in law, and I had friends who were lawyers. And in 1973 I went off to London to qualify."

Branch officials were happy for him to remain their MP and he spent the next three years shuttling back and forth between Bermuda and the United Kingdom, making as many as eight trips a year.

But in April of his last year he was preparing for stiff final exams when Mrs. Browne Evans telephoned to say a general election was to be held the following month.

"I dropped everything and came back, much to the horror of my fellow law students, but my first interest has always been politics. I was able to devote all of my time to the campaign and I got right to work and we managed to secure four more seats.

"I went back to London in August and settled down and wrote the exams in September and I was successful. I ran a high risk but it worked out okay."

His long dedication to politics has now led him to the highest post within the PLP. Mr. Wade, who is considered a left-winger in the party, insisted it was going to be a new-style leadership.

"It is going to be almost a joint leadership with my deputy Mr. Walter Roberts. We are going to share and try to have a merger of the talents and use them where they best fit.

"We have to consolidate the support of the working class people and to bring into play the energy of the young people that have come into the party.

"It has been very heartening that so many young people have emerged onto the scene. They are saying they are the PLP of the future and they would like to play a leading role in the development of the party at this stage.

"I intend to see they get a full opportunity to participate at all levels.

"We hope to attract to the party those people who have had the benefit of education, opportunity and upward mobility.

"There has been some reluctance on their part to identify with the PLP openly, and we have to make them feel comfortable in the PLP and make them feel they owe a debt to the people coming after them to continue opening up new opportunities."

But the party is already drawing lessons from its election defeat.

Mr. Wade pointed to the successful United Bermuda Party team in the marginal constituency of Pembroke East Central where Mr. Robert Barritt and Mr. Lawson Mapp ousted two PLP MPs.

The two men had worked in the constituency for several years and stood in several elections before finally winning the House of Assembly seats.

Mr. Wade said: "There is a lesson in that for our candidates and they have already told me they would like to be in place as soon as possible and they intend to start a four or five year programme of work in the districts.

"We are also going to totally computerise the party's operation, from voters lists to finances.

"There is a real need. In elections today you cannot operate without that level of technical support. The John Swan blanket mailing was an important tool in the last election and we have to be able to respond to that."

He dismissed fears that his taking over the leadership from Mrs. Browne Evans was only a cosmetic change to the PLP.

"I intend to pursue the party platform, but I also have my own ideas about what should be done. I certainly have my own personality as people will find out.

"When you have a leader you owe your allegiance and support to that leader. As a team man it was my duty and responsibility to support Mrs. Browne Evans while she was leader.

"But people will now see for themselves a very different style of leadership," he promised.

Union Pressure on PLP

Hamilton THE ROYAL GAZETTE in English 9 Nov 85 p 1

[Text] The powerful Bermuda Industrial Union yesterday warned it would now be forced to take over the task of protecting workers' rights from the battered Progressive Labour Party.

The union newspaper *The Workers Voice* said the Opposition Party's massive election defeat would leave it up to the trade unions to combat the United Bermuda Party Government.

Businessmen and politicans have already said they fear more militant trade unions after the PLP's House of Assembly strength was cut to seven seats.

Newly-elected Opposition Leader Mr. Frederick Wade was also strongly attacked by moderate and left wing columnists who complained he was the wrong man for the job.

In an editorial, the newspaper, which is edited by former PLP MP Dr. Barbara Ball, said warning bells should now be ringing for all workers in the Island.

"Now that our political power has been so greatly decimated, the burden of protecting the rights and interests of the workers has fallen on the trade unions — especially the largest and most powerful, the Bermuda Industrial Union.

"For it is evident that those who seek absolute power in this Country have moved a step nearer to their goal, and only a powerful and united trade union movement stands in their path."

The paper dismisses claims the PLP leaders or the newly formed National Liberal Party are to blame 'for the party's worst-ever electorial defeat.

"Years of complacency, apathy and lack of involvement; these are the real reasons why the PLP was defeated. The workers have been too busy 'doing their own thing' to get involved in building up the strength of their institutions."

It warns there is a real threat now facing the union, and insists another election will not be called before 1990.

"At which time, the disastrous and destructive course being pursued by those in power will have left very little of Bermuda worth taking over by any re-constituted Progressive Labour Party."

But the new leader is criticised and warned he has inherited a rebuilding programme which could be likened to putting Humpty Dumpty together again.

Expelled dissident Mr. Calvin Smith questions whether Mr. Wade is even aware of the condition of his party, and adds the party's conference delegates, who picked the new leader, failed to realise it was time for a drastic change in direction.

He adds many people think the new Leader is unlikely to lead the Party in any new directions, although the election clearly showed a need for new leadership and a change in direction.

"In fact, many would lay most of the current problems of the PLP at the feet of Mr. Wade. Certainly, he was a willing partner in initiating the charges which eventually led to the expulsion of the four MPs and the eventual split."

He also criticised the selection of Chairman Mr. Alex Scott and Public Relations Officer Mr. David Allen as PLP senators.

He wrote: "I am certain I shared the amazement of many when, following the resignation of Mrs. Lois Browne Evans, the Delegates' Conference elected her staunch supporters to the Senate and to the Party Leadership.

"It was almost as if the delegates had read the disastrous results of the last election as an endorsement for the 'failed' policies and methods of Mrs. Browne Evans.

"Mr. Wade has unflinchingly backed the policies which have brought about the disastrous results of the last election.

"If this man is to lead the Progressive Labour Party out of the political wastelands, he will have to undertake a change in attitude and approach, which would make that which turned Saul into St. Paul pale into insignificance."

A more unexpected attack comes from left-winger Mr. Alvin Williams, who warnedthe party could have sown the seeds for a new split which would see the PLP passing from Bermuda's political scene.

He wrote: "I have the greatest respect for Mr. Frederick Wade, the new leader of the PLP. But in the minds of many people, he is deemed to be too close to the former leader of the PLP, Mrs. Browne Evans."

He added many people who had looked for a symbol of healing within the party saw defeated leadership candidate Mr. Walter Roberts as the right man for the job.

"Likewise, the selection of PLP representatives in the Senate should have reflected the new beginning — not a reinforcing of the 'old guard'. These decisions, though democratically taken, have already handicapped that new beginning for the PLP.

NLP Wooing of Unions

Hamilton THE ROYAL GAZETTE in English 15 Nov 85 p 9

[Article by Political Reporter]

[Text]

Opposition officials and union bosses were yesterday reluctant to discuss a National Liberal Party offer to represent trade unions in the House of Assembly.

The NLP suggested unions should turn their backs on the Progressive Labour Party and said they had failed to hold meaningful talks with unions.

The offer comes only days after the Bermuda Industrial Union's newspaper warned the powerful union would have to take over the task of combatting Government because of the PLP's massive election defeat.

NLP spokesman Mrs. Kathleen Bell said: "If the unions are looking for representation in the House which will be meaningful, then they must look to Members of Parliament who are prepared to discuss all facets of labour business.

"It is part of the NLP philosophy and policy on labour that organised labour should be for the good of the community and should be organised to protect the rights of the workers."

In a prepared statement, she said the unions need not adopt a defeatist attitude because the PLP seats in the House of Assembly have been reduced.

"What the unions need to do is examine the relationship between the PLP and the unions generally, and particularly, the PLP's association with the BIU.

"There is no record of the PLP ever having any meaningful dialogue with the other unions about their problems, and their union activity.

"The close association of the PLP/BIU is only a public perception which the PLP has used over the years for its own ends. On the other hand, the BIU has endeavoured to assist the PLP as best it could within the law."

She added: "The policy of the PLP has been not to bring forward legislation to the House, even if it could benefit labour to do so."

She insisted the two NLP MPs were prepared to meet union officials to discuss labour matters, and in order to represent a group they needed to be well-informed.

She said Mr. Austin Thomas is a trustee of the BIU, and Mr. Gilbert Darrell has been a member of the unions General Council.

BIU President and PLP Shadow Minister Mr. Ottiwell Simmons said he would not comment on the political statement.

He added: "I'm sure the union has no objection to any political group giving its support. It looks for support throughout the Country. But the BIU and the PLP have always been working closely together."

He said recent articles in the union's newspaper, The Workers Voice, did not necessarily represent the views of the union.

"A lot of things The Workers Voice says I don't agree with, but we try to give the paper some autonomy and independence, provided it stays within the law and reasonable limits of public opinion."

Opposition Leader Mr. Frederick Wade said: "I don't know if it is worthy of comment," but added he would ask the newly-appointed Shadow Minister of Labour and Home Affairs Mrs. Lois Browne Evans to consider responding.

The party's Public Relations Officer Sen. David Allen was also reluctant to comment on the NLP's offer.

PLP Shadow Cabinet

Hamilton THE ROYAL GAZETTE in English 14 Nov 85 pp 1, 8

[Text]

Opposition Leader Mr. Frederick Wade yesterday warned his small team of MPs had virtually no chance of winning House of Assembly battles as he unveiled a new-look Shadow Cabinet.

He promised his reduced Parliamentary team would form a vigorous Opposition, but the main thrust of the Progressive Labour Party would now be in the community.

"We are seven people against 32 and the hope of getting anything through is like a snowball in Hell, and we know that, unless we are going to be able to persuade the backbench of the UBP to come with us.

"We are going to be a strong Opposition and where necessary we will bring motions and legislation to the House.

"We are going to fulfil our responsibility in Parliament, but we intend to be a party in the community. The emphasis will be in the community more than in the House."

His scaled-down Shadow Cabinet includes the whole ten-man PLP Parliamentary team, with some MPs having responsibility for several of Government's 12 Ministries.

The Opposition Leader takes on responsibility for Finance and Legislative Affairs, while his deputy, Mr. Walter Roberts is given the portfolios of Transport, Industry and Technology and becomes House of Assembly spokesman on Tourism.

Former PLP Leader Mrs. Lois Browne Evans keeps the portfolio as Shadow Minister of Labour and Home Affairs, and becomes House spokesman on Education.

Newly-appointed Opposition Whip Mr. Walter Lister is Shadow Minister of Housing and Works, and House spokesman for Youth, Sport and Recreation.

Bermuda Industrial Union president Mr. Ottiwell Simmons re-joins the ranks of Shadow Ministers after an absence of five months and takes on the portfolio of Health and Social Services.

Former Shadow Minister of Health and Social Services Mr. Stanley Lowe shifts to Community and Cultural Affairs while Mr. Reginald Burrows moves from Shadow Minister of Industry and Technology to Shadow Minister of the Environment.

PLP Senate Leader Sen. David Allen becomes Shadow Minister of Tourism, while Sen. Jennifer Smith takes over the Education portfolio.

Party Chairman and newly-appointed Senator Alex Scott is given the portfolio for Youth, Sport and Recreation.

Mr. Wade also appointed defeated PLP candidate Miss Paula Cox to the newly-created post of Shadow Cabinet, responsible for coordinating the activities of the Shadow Cabinet.

He added: "I firmly believe the Progressive Labour Party has a strong and effective team, willing and able to represent a broad public interest, in the House of Assembly, in the Senate and in our newly invigorated Shadow Ministries.

"We intend to work for the total community in ensuring the best interests of all Bermudians are served."

He said the party's policy had won broad support in the community, had been borrowed by the National Liberal Party and adopted by UBP governments and Premier the Hon. John Swan.

He added: "We are going to see our worst critics and our best friends to talk about the PLP.

"John Swan has said he is going to shake every hand — I will kiss every lady and shake every man's hand in the next few years."

He said young and energetic party workers had been drafted in to form a Shadow Cabinet secretariat.

These are: Health and Social Services, Miss Cheryl Pooley; Youth, Sport and Recreation, Mr. Sam Maybury and Mr. Archibald Brangman; Labour and Home Affairs, Mr. Louis Ming; Industry and Technology, Mr. Gerald Daniels; Transport Mr. Kenneth Burgess; Education, Mrs. Aurelia Burch; Community and Cultural Affairs, Mr. Ira Philip; Tourism, Mr. Vernon Burgess; Housing and Works, Mr. Roosevelt Hall; Finance, Dr. Clark Godwin and Environment, Mr. Calvin Wales.

Mr. Wade added: "All of Bermuda owes a great debt to the great courage and statesmanship of Mrs. Lois Browne Evans.

"Parliament will miss the flair of Mr. Stanley Morton and the great determination of Dr. Barbara Ball. Mr. Eugene Cox will be missed for his ready analysis of the figures and his strong racial pride."

NLP Leadership Changes

Hamilton THE ROYAL GAZETTE in English 19 Nov 85 p 7

[Text] The newly-formed National Liberal Party yesterday announced a mini-shake up of top officials after holdings its first general meeting for its more than 200 members.

Former MP Mr. Walter Brangman, who lost his House of Assembly seat during the last general election, takes over as deputy chairman of the party from Mr. Albert Swan.

Public Relations Officer Mrs. Kathleen Bell stood down and was replaced by businessman Mr. Gerry Swan.

The weekend meeting was held to elect the party's officials after temporary officers had been picked when the party formed 12 weeks ago.

Former Sandys North MP Mr. Lionel Simmons said yesterday he would now be concentrating on building an NLP branch and he was not a member of the party executive.

"I'm going to be working in my parish," he said. "We need to develop a branch. It was, at one time, a strong Progressive Labour Party area and if we are going to make any inroads we will need to develop a strong branch.

"It will be an up-hill battle because it was such a strong PLP area, but I plan to stand again as an MP. I had close to 30 people working with me in the election and we have the nucleus for a branch.

"This is the best time to start working in the parish as the election is fresh in everybody's minds," he said.

NLP Spat With Union Organ

Hamilton THE WORKERS VOICE in English 22 Nov 85 p 4

[Text]

In a strongly-worded statement, the newly-formed National Liberal Party (NLP) has addressed itself to the concern of the Bermuda Industrial Union's membership, about the greatly reduced labour representation in the present House of Assembly.

Following if the full text of the NLP statement:

The Labour unions of this Island need not adopt a defeatist attitude because the PLP seats in the House of Assembly have been reduced.

What the unions need to do is to examine the relationship between the PLP and the unions generally, and in particular, the PLP's association with the BIU.

There is no record of the PLP ever having any meaningful dialogue with the other unions, about their problems and their union activity.

Even on behalf of the BIU, the PLP was moved only by the direct action taken by the two BIU officials, who were elected to the House, as PLP Members of Parliament.

The close association of the PLP/BIU is only a public perception, which the PLP has used for its own ends, over the years.

On the other hand, the BIU has endeavoured to assist the PLP as best it could, within the law.

Also, under the chairmanship of former Senator, Charles Bean and former MP. Arthur Hodgson, valiant attempts were made to have some concrete commitments between the two organisations (the PLP and the BIU). But the proposed meetings never took place.

The PLP did mount a fight in the House, over the Labour Act, but that was legislation brought forward by Government. The policy of the PLP has been not to bring forward legislation to the House, even if it could benefit Labour to do so.

NO STRANGERS TO LABOUR

On at least two occasions, the PLP walked out of the House. These instances took place after the BIU president had filled the public gallery of the House with Union members.

He then demonstrated his influence, by demanding that the Leader of the Opposition call out her members, in protest.

The Leader would then take a hurried concensus, making sure it would be in favour of walking out.

If the unions truly want this kind of representation, then the reduced number of PLP seats in the House will have an effect.

However, if the unions are looking for representation in the House, which will be meaningful, then they must look to Members of Parliament who are prepared to discuss ALL facets of labour business.

The two National Liberal Party Members of Parliament are prepared to meet and discuss any matters pertaining to Labour, because, in order to represent a group, Members of Parliament MUST be well-informed and committed to proper representation, in the interests of the majority.

It is part of the NLP philosophy and policy on Labour, that organised Labour should be for the good of the community and should be organised to protect the rights of the workers.

Also, the NLP believes that a person who achieves success in the work-force is still very much a part of the labour family.

It should be noted that the two NLP Members of Parliament are no strangers to Labour and Labour causes. Austin Thomas, MP is a Trustee of the BIU and Gilbert Darrell, MP has served as a member of the General Council of the BIU.

NLP Fund-Raising Plans

Hamilton THE ROYAL GAZETTE in English 22 Nov 85 p 3

[Text] National Liberal Party Treasurer Mr. John Rankin yesterday promised to step up a campaign to woo cash from businessmen who have traditionally funded the United Bermuda Party.

He said letters had been sent out to almost 400 local companies asking for financial support and explaining an alternative political party was essential for democracy.

"It's not been a runaway success but we did have a donation from a significant company which does show there is hope," he said.

He said the NLP was now planning to send out reminders to the businessmen and added several had expressed interest in supporting the party once it had proved it was viable.

The election campaign had cost the party about $7,000 he said, and it was now wanting to clear off debts of about $5,000.

"Some of the other parties would have loved to carry on a campaign for the amount of money we have spent. We had one of the most efficient campaigns for the number of votes per dollar spent."

He said the NLP had no long term comitments and was already considering ending a temporary lease on an office.

"We have had one donation of $500, and we have promised to keep the name of the institution involved confidential.

"A lot of people are waiting to see if we are going to be different and if we can really fulfil our promises. Once they see we are a viable alternative they will help support us.

"The difficulty is that we need money to be able to do any of these things," he said. "But right now our main concern is to wipe out our deficit."

UBP Constitutional Changes

Hamilton THE ROYAL GAZETTE in English 22 Nov 85 p 7

[Text] The United Bermuda Party will next month be asked to approve changes to its constitution almost a year after proposed alterations sparked a battle behind closed doors.

A plan to give the Premier and the Speaker guaranteed nominations in their safe constituencies was hurriedly dropped after fierce opposition from back bench MPs and party workers.

But a small committee has spent several months working on changes to the constitution, which was last amended in 1977, to bring it up to date.

UBP executive officer Mr. Ed Williams yesterday refused to give details of suggested changes which will be recommended to the party's annual meeting on Thursday, December 5.

"It's nothing controversial," he insisted. "It is just a matter of up dating some of the clauses in the constitution to ensure they are relevant to today.

"It was felt the wording of some clauses was not easily understandable and were in need of some redrafting.

"The Central Council, two years ago, asked the Constitution Committee to come up with some amendments to the constitution and it has been periodically discussed since then."

He added a clause to exclude the Premier and the Speaker of the House of Assembly from primary battles had been dropped several months ago.

"It was suggested at one of the constitution committee meetings but it was felt it wasn't necessary to have this clause. The Premier didn't agree with it being there."

Party officials have also been given permission to break the rules in a bid to sort out an administrative bottleneck caused by the General Election.

Mr. Williams said the party's branches would be holding annual general meetings during the next few weeks to elect officials.

"The constitution says the meetings should be held in November but we are probably going to find a handful holding their meetings early in December," he said.

"We can't be too hard line about it this time. The problem is that we have just had an election and people have to find time to fit these meetings in."

The party's national officials will be elected at the meeting on Thursday, December 5.

NLP Rally

Hamilton THE ROYAL GAZETTE in English 27 Nov 85 p 3

[Text] The National Liberal Party last night took its first steps on the long road to becoming a contender in Bermuda's next general election.

In its first post-election public meeting, party leader Mr. Gilbert Darrell MP said the NLP had to make it clear in the next few years that its one goal was to win the Government.

"There is no other goal we have," he told 35 people at the Purvis School in Warwick East constituency lost by NLP candidate Mr. Walter Brangman.

To do that, the party needed money and people, Mr. Darrell said — people to raise money, people to be candidates, people to publish and distribute a party newsletter, people to research political issues and people to listen to people.

It was clear from last night's talk that party officials have been doing some careful thinking about the NLP's future. And it appeared that the future depended on a long term grassroots campaign to convey the NLP message as well as a determined effort to organise essential party machinery such as a headquarters and to mobilise party representatives.

"We have to make the name of our party a household word," Mr. Brangman said. "We have to canvass all areas of the country."

In the past few months, the NLP's membership has grown to about 250. While officials are happy about the growth, it was clear last night they wanted more members with commitment beyond mere membership.

Mr. Darrell told the audience the NLP faced an enormous challenge. To be a legitimate Government contender it had to field candidates in each constituency. It needed a legitimate programme for canvassers. It needed parliamentary assistants to help Mr. Darrell and Mr. Austin Thomas MP effectively criticise and pressure Government in the House of Assembly.

"This is not an easy task ahead of us," Mr. Darrell said. "We can't start campaigning three months before the next election. We have to start now."

New PLP Chairman

Hamilton THE ROYAL GAZETTE in English 4 Dec 85 p 1

[Text] Opposition Leader Mr. Frederick Wade early this morning announced a new-look administrative line-up for the Progressive Labour Party.

The new party chairman is veteran journalist Mr. Ira Philip who takes over from Sen. Alex Scott, and union stalwart Mr. Gerald Daniels becomes Public Relations Officer following the resignation of Sen. David Allen.

The party's annual two-day conference wound up with the election of the new key officers after a 90-minute speech to the 60 delegates from the recently elected leader.

"I dealt with the new thrust the PLP will be taking in the affairs of the country. There are still matters I intend to deal with," he said.

"We are very pleased with the results of the conference and I'm very happy with the new officers."

Sen. Allen stood down as PRO after being appointed Shadow Tourism Minister, Opposition Senate Leader and Senate spokesman for three other Government ministries.

Miss Ann Webb takes over as Assistant Secretary.

But United Bermuda Party chairman Mr. Robert Lewis warned the new PLP chairman would face a rough ride.

"We have got to wait and see what course the leadership of Freddy Wade is going to take. The leadership has got to develop and prove itself to the party membership and the public.

"But if they go hard left they will put themselves further out of the picture. That would set them back, and it would all be to the benefit of the UBP in the long term."

National Liberal Party public relations officer Mr. Gerry Swan was reluctant to discuss the election of the PLP chairman.

He said: "It is a decision the PLP will have to be comfortable with and certainly the NLP is not in a position to tell the PLP what it should be doing.

"There is too much to do within the NLP for us to be taken up with who the next chairman of the PLP will be, and we are, right now, more concerned with the support the NLP has.

"I'm not going to speculate on the pros and cons of a new chairman of the PLP."

■ The UBP meets tomorrow night to elect a new chairman when Mr. Lewis steps down, and it is also expected to pick five new deputies.

Last night Mr. Lewis said: "I have been chairman two years and every two years we change around. I have had my spin and it's time somebody else had theirs."

He added the party's constitution was also likely to be changed to increase the number of deputy chairmen from two to five.

"We will have various areas of responsibilities for all of them. We have 31 seats in the House of Assembly, we have John Swan as our leader, and we now have to do an even better job than we have been doing.

"We have a greater responsibility now to really make sure everything that needs to be done in the community and on the political scene is done."

PLP Senate Spokesman

Hamilton THE ROYAL GAZETTE in English 4 Dec 85 p 7

[Text] Opposition Leader Mr. Frederick Wade yesterday announced a share-out of responsibilities for Government Ministries among the Progressive Labour Party's three-man Senate team.

Senate Opposition Leader and Shadow Minister of Tourism Sen. David Allen will also become spokesman on Finance, Labour and Home Affairs, and Legislative and Non-Ministry Affairs.

Shadow Minister of Education Sen. Jennifer Smith will be spokesman for the Ministries of Health and Social Services, Transport, and the Environment.

Shadow Minister of Youth, Sport and Recreation Sen. Alex Scott will be spokesman for Housing and Works, Community and Cultural Affairs and Industry and Technology.

The Senate meets today for its first full business session of the new term when the Speech from the Throne will be debated.

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CSO: 3298/247

BERMUDA

THRONE SPEECH DRAWS QUICK REACTION FROM OPPOSITION

Text of Speech

Hamilton THE ROYAL GAZETTE in English 16 Nov 85 p 4

[Text]

Government of Bermuda, Speech from the Throne, delivered by His Excellency the Governor on the occasion of the Convening of Parliament, Friday, November 15, 1985.

Mr. President and Members of the Senate:
Mr. Speaker and Members of the Hon. House of Assembly:

Government is greatly encouraged by the renewed and strengthened mandate that it has received from the Electorate and pledges itself to the continuing development of the many programmes on which it has embarked in recent years to improve the quality of life for Bermudians.

In all aspects of its decision-making process and legislative programmes Government will continue its policy of participatory democracy. The views of the public will be sought and its wishes incorporated whenever these are viable and the end result of overall benefit to the community at large.

The current economic position requires caution, and the most careful evaluation of demands for large capital investments or expansionist programmes. It is for serious consideration whether we can afford to embark on new programmes in the immediate future. The priority will be on consolidating and completing those already in hand, and the several extensive capital development projects already announced.

Measures will be taken to evaluate the recurring expenditure of Government's Administration and every effort will be made to contain and, if possible, to reduce, the burden of its own manpower and services cost.

Our standard of living in Bermuda is already the envy of many other countries, and whilst we must do all that is possible to preserve this, it must not be at a cost beyond our means.

In the matter of housing, there will be an increase in the flow of mortgage funds phased over the next five years, primarily to provide for new first home owners.

Government will continue to encourage the upgrading of local areas through the paving and lighting of private estate roads as agreed by landowners.

It is necessary to strike a fine balance between the provision of new homes on our limited land mass, and the preservation of open space for the use and enjoyment of all our people.

A Land Title Registration Bill will provide for the progressive registration of all land lots in Bermuda and for easy and inexpensive access to land title proof.

The City of Hamilton Development Plan will be placed before The Legislature in the coming Session. Options for development of the Pembroke Marsh Basin will be presented, following the detailed investigation currently being conducted by a study group from Harvard University.

A major threat to our well-being continues to be illegal drugs, and Government will be introducing measures and legislation aimed at reducing the problem and discouraging those persons engaged in that illicit trade. Meantime the National Alcohol and Drug Agency will be both initiating action and monitoring progress, which will require the energetic support of the community.

In 1986 the Post Office will introduce a new postal code system which is a major requirement for mechanical sorting and improved delivery.

Further improvement in the system of education remains a high priority of the Government. A programme of career counselling will provide valuable guidance in our secondary schools. Additionally, standardised tests are to be introduced Island-wide both at primary and secondary level.

A new approach to utilise computer techniques for teaching five-year-olds will be the subject of pilot programmes in five primary schools.

A Task Force has been commissioned, charged with the responsibility of studying recreational needs at community level, to gain feedback from areas deprived of recreational outlets, and to encourage community input into Government plans. A White Paper on Youth Development will focus attention on the implementation of youth services and the full participation of young people in community life.

The economic life-blood of Bermuda is provided by our tourism industry and the coming season will witness a continuation of the aggressive marketing techniques which are proving to revitalise that sector. At the same time, we must continue to upgrade the quality of service to our visitors and give value for money.

Negotiations will continue, and an on-going dialogue maintained, with all the airlines serving Bermuda in an effort to obtain reasonable fares.

The International Business Sector makes a vital contribution to our economic well-being and provides excellent career opportunities for many Bermudians. Government will continue to seek ways to ensure that Bermuda will remain an attractive environment in which this business can thrive.

The Immigration and Protection Act will be amended to provide for the policy review undertaken in respect of work permits and the grant of Bermuda Status. It will provide relief to spouses of Bermudians, whilst continuing to exercise other controls.

The Ministry of Labour and Home Affairs will also introduce a White Paper setting out Government's proposals to further improve labour relations.

Work has already begun on the provision of a new Maximum Security Prison and to expand the Prison Farm facility so as to relieve crowding at Casemates Prison in the interim.

A White Paper outlining proposals in respect of traffic on our roads will be placed before the Legislature. This follows feedback and further discussions of the Green Paper on road traffic problems debated in 1982.

A programme of cultural preservation and development is to be undertaken by the Ministry of Community and Cultural Affairs to encourage a closer bond between all our people.

Legislation will be introduced to make provision to better control the Island's litter, and for the improved storage and disposal of domestic refuse.

During the coming year, funds already committed to Capital Development will be used for construction of the new Bus Garage at Fort Langton, extensions to St. Brendan's Hospital, the sports complex at Prospect, and the Solid Waste Thermal Treatment Plant, with energy recovery, on the Tynes Bay site.

Mr. Speaker and Members of the Hon. House of Assembly:

The Estimates of Revenue and Expenditure for the next financial year will be laid before you.

Mr. President and Members of the Senate:
Mr. Speaker and Members of the Hon. House of Assembly:

In addition to new legislation already mentioned, you will be invited in the coming year to consider Bills which will include the following:

Land Adjudication Bill
Stamp Duties Amendment (No. 2) Bill
Condominium Bill
Exchange Control Amendment Regulations
National Parks Bill
Merchant Shipping Regulations
Public Service Superannuation Amendment (No. 2) Bill
Affiliation Act 1976 Amendment Bill
Arbitration Bill
Bankruptcy Bill
Health and Safety at Work Regulations
Court of Appeal Amendment Rules
Supreme Court Rules

It will continue to be the policy of your Government to encourage the free exchange of views as the most effective way of developing policy, and all our people are urged to communicate their concerns, opinions and wishes to their representatives and the Administration.

Despite the need to exercise constant vigilance over our economic well-being our future remains bright, and provided we continue to work together, this satisfactory state of affairs can be maintained. With the strong support of all, both Bermudians and Non-Bermudians, we can, with God's blessings, preserve, protect and enhance our Island and our special way of life.

Tradition accords me the opportunity to make some personal remarks at the end of this speech. May I say, therefore, that it is a great honour to open Parliament today on behalf of Her Majesty The Queen. May I also acknowledge the valuable services to Parliament of those of both Houses who were either not re-elected or re-appointed, and wish their successors — and indeed all of you — well in your future work on behalf of the people of Bermuda.

Mr. President and Members of the Senate:
Mr. Speaker and Members of the Hon. House of Assembly:

I now declare this session open and may God guide you in all your deliberations.

Senate Chamber
Hamilton, Bermuda
15th November, 1985

DUNROSSIL
Governor and Commander-in-Chief

Initial Opposition Questions

Hamilton THE ROYAL GAZETTE in English 16 Nov 85 p 1

[Text] Opposition Senator David Allen wasted no time to stirring the political kettle during the opening of the new Parliamentary session yesterday.

The newly appointed Opposition Senate Leader filed three questions scrutinising Government's commitment to Bermudianisation of the Tourism Department.

The questions directed at Government Senate Leader the Hon. Charles Collis asked:

- Which positions have been filled during the past three months in the Department of Tourism's overseas offices?
- How many of these positions have been filled by non-Bermudians?
- Which of these positions were advertised locally in Bermuda?

Senator Allen said the Progressive Labour Party had received information that non-Bermudians were being hired as mid-echelon officers in the Tourism Department, particularly for its overseas offices.

Swan-PLP Exchange

Hamilton THE ROYAL GAZETTE in English 23 Nov 85 pp 1, 3

[Text] Opposition Leader Mr. Frederick Wade and his Shadow Cabinet yesterday unleashed a fierce attack on Government and complained there were no plans to tackle dozens of pressing problems.

But United Bermuda Party MPs dismissed the criticism and complained the new leader of the Progressive Labour Party had failed to introduce a new approach.

Mr. Wade said: "The Swan Administration has failed once again to set forward programmes and policies which are designed to solve the many problems which beset the country and any allusion to a participatory democracy is only an illusion."

He said the United Bermuda Party had won support from only a third of the electorate as so many people failed to vote in the general election.

"Through Swan policies and 'politricks' participatory democracy has come to mean participation by a decreasing number of Bermudians."

He called for wide ranging changes, complained of forgotten promises and dismissed the National Alchol and Drug Agency as mere repetition of a Royal Commission's work.

"While NADA does more interviewing and monitoring, our young people are busy getting hooked on heroin, mainlining with cocaine, getting arrested for cannabis and dying from AIDS."

He said the economy was in poor shape and the Tourism Minister should be working to regain 54,000 regular guests lost each year since 1980, instead of chasing rainbows all over the world.

"The Swan Administration believes that yesterday's men and yesterday's ideas can solve todays problems. Even though his party has had an infusion of new blood, this new blood appears to have been put into the same old bottles.

"We see no evidence of the impact of this new blood on the policies and programmes put forward in the Throne Speech."

The first major speech in Parliament from the National Liberal Party came when Parliamentary Group Leader Mr. Gilbert Darrell attacked the Speech from the Throne.

He complained there were problems Government was failing to tackle and called for a new approach.

He also called on Government to scrap plans to shift the Bermuda College to a single campus at Stonington Beach.

"The College should stay where it is and we should move the Police out of Prospect and develop Prospect as an educational complex," he suggested.

The Premier, winding up the debate, said the PLP's response was the weakest he had heard from an Opposition in his 13 years as an MP.

He tagged the Opposition reply empty, shallow and void of constructive suggestions.

"How can they talks about a new and revitalised PLP ? It's the same old peoples ing ing the same old songs. The only difference is they're fewer in numbers," said Mr. Swan.

The PLP was putting up gestures of solutions to problems, rather than concrete answers.

The NLP reply fared little better, with Mr. Swan accusing the party MPs of talking out of both sides of their mouths at once.

"They criticise the country's state of affairs. But Bermuda is an affluent country with freedom and opportunities. These freedoms and opportunities have been provided by the Government,"he said.

"And we, as a Government, will not be deterred. We will pursue those things which benefit the country most."

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CSO: 3298/247

BERMUDA

POLICE COMMISSIONER SAYS BIG DRUG DEALERS ARE KNOWN

Hamilton THE ROYAL GAZETTE in English 3 Dec 85 p 1

[Text] Police Commissioner Mr. Frederick Bean says there may be as many as two dozen big-time drugs dealers in Bermuda. And Police know who some of them are.

Further, the number of drug offences for the third quarter of 1985 show a 50 percent increase over the same period last year.

The Commissioner was speaking at a Press conference yesterday held to discuss the recently tabled annual report (1984) of the Bermuda Police. The main topic of discussion was drugs.

Mr. Bean said statistics show "an alarming increase in the use of drugs," and discussed police efforts to stop that trend.

He said it would be a "fair assumption there are no more than two dozen big drug dealers" on the island, and "these are the ones we want to be targetting.

"Our efforts have been to get away from the nickel and dime bags and to go after the really big fish," Mr. Bean said, citing the separate cases of Carlton Minors and Alvin Chapman, convicted for dealing in large quantities of cocaine and heroin respectively.

The report showed slightly more than 22 times as much cocaine was siezed in 1984 than in 1983. Mr. Bean said he believed the increase is due to the facts that cocaine is easier to conceal than cannabis; its use doesn't leave as many "tell-tale signs" as pot; and the feeling one gets fom cocaine is a little more "euphoric."

"People are getting away from cannabis," he said. The amount of cannabis sized in 1984 dropped slightly from 1983.

He spoke of international — "very international" — drug operations lasting as long as 18 months or two years. Bermuda Police work very closely with American drug agencies, such as the Drug Enforcement Administration, he said, maintaining contact on a daily basis.

Of the big-time dealers and importers, he said, investigations have to be very detailed, as it is difficult to make good conspiracy cases.

"We've got to be systematically sitting on them," to obtain enough evidence, he said, adding sometimes Bermudian officers must travel overseas to work with other police agencies on drug cases.

On the home front, Mr. Bean said the narcotics division is growing. Currently it boasts two drug-sniffing dogs. Next year he said, they're hoping to get another.

Further, the department is now considering upgrading the ranks of officers in narcotics — turning it, perhaps, into an elite drug squad.

Co-chairing the Press conference was Minister of Home Affairs the Hon. Sir John Sharpe. He tried to downplay the seeming increase in drug use by pointing out the report dealt with 1984 and 1983 figures, not 1985 figures.

He also said increased numbers of siezures, charges and convictions could represent an increased vigilance on the part of Police — not just a growing use of drugs.

But Commissioner Bean also had figures comparing numbers of drug offences for the third quarters of 1984 and this year. Those statistics showed a 50 percent increase this year over last — a trend Mr. Bean described as "alarming."

To discourage would-be drug dealers and importers, Sir John told reporters the government is currently examining potential legislation which would give it much broader powers of seizure of assets than it enjoys now.

Now, he said, the government must prove a convicted dealer's assets were paid for with money earned through drug traffick. The legislation being considered, he said, would not only remove that stipulation — allowing the government to sieze all assets of a convicted dealer — but could extend its limits to include family members' assets as well.

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CSO: 3298/248

BERMUDA

DRUG DEALERS, FAMILIES WOULD BE HIT UNDER NEW LAW

Hamilton THE ROYAL GAZETTE in English 7 Dec 85 p 1

[Text] The Government may soon have the power to seize all assets of a convicted drug dealer — and the dealer's family — regardless of whether or not those assets were aquired through drug traffick.

Further, the recommended legislative change would allow Government to freeze all assets of anyone merely charged with dealing drugs.

The changes have been proposed by the Cabinet Committee on Crime, composed of the Hon. Sir John Sharpe, Minister of Labour and Home Affairs; the Hon. Mrs. Ann Cartwright DeCouto, Minister of Health and Social Services; and the Hon. Ernest Vesey.

Yesterday Sir John said the law as it stands allows the Government to sieze the assets of convicted dealers only when it can be ascertained those assets were aquired through drug dealing.

That, said Sir John, is "difficult to prove".

"The committee recommended the act be amended to provide that the person may be stripped of assets if found to be dealing in drugs," he said, "and further this proposal should include families."

He added the recommendation also proposed assets be frozen upon charges being laid.

When asked if the latter amendment was aimed at preventing those charged with using funds, perhaps obtained through drug trade, to defend themselves in court, Sir John said; "It's not so much that."

He explained it is intended primarily to prevent those charged from transferring their assets before conviction, when the Government would be entitled to seize them.

"I don't think most people would have difficulty paying for their defence," he said, adding they would likely be able to obtain funds "through sources obscure to you and me".

Sir John could not say exactly how far the law would extend with regard to families of convicted dealers, nor could he say whether or not the law would be enforced retroactively on persons convicted in the past.

The committee recommendations are recommendations "in principle", he said, the exact details of which have yet to be worked out by the Attorney General's office.

The recommendations have received the approval of Cabinet. Once the drafting is complete, they'll come back to the Cabinet, and "eventually wind up in the House of Assembly as changes in law," Sir John said.

Sir John said earlier the changes were aimed at giving drug dealers second thoughts about conducting business in Bermuda.

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BRAZIL

PT PRESIDENT LUIZ DA SILVA INTERVIEWED; BRIZOLA CRITICISM

18 December Interview

PY021619 Sao Paulo FOLHA DE SAO PAULO in Portuguese 29 Dec 85 pp 6-8

["Text" of interview with Luiz (Lula) Inacio da Silva, president of Workers' Party (PT), by FOLHA DE SAO PAULO reporter Alexcandre Polesi on 18 December in Sao Paulo]

[Excerpts] FOLHA: It is more apparent every day that the PT defines itself as a socialist party. What type of socialism does the PT defend?

Lula: It would be very difficult for me to define the socialism of the PT. I believe that the perfect socialism for the PT would be that shaped by the companeros of the PT. Personally, I believe that we have two fundamental concerns. The first one is to understand that it is impossible to have a socialist system unless you have control of production at the level of the working class. This is the first definite thing about the socialist system. The second concern is to have a socialist system and at the same time, keep a democratic system in the country. What does this mean? It means to permit the existence of adversaries and to coexist with those who disagree, want to talk, and practice opposition. If one can manage to install a socialist system where society, the working class, holds the means of production in the cities and in the countryside, and at the same time, allow people to enjoy freedom of expression, freedom to oppose the government, I believe that one has made some advance on the question of socialism.

FOLHA: Could you define that question better?

Lula: There are some special points that I believe only a thorough debate will resolve. When one speaks of holding the means of production under control of the workers, one must determine just what will be transferred to the state. Will you transfer small enterprises, bars, restaurants, taxicabs, bakeries, small businesses? These are special points about which discussion should be conducted to determine the convenience or not of taking such a step.

FOLHA: Does that mean that you have doubts whether socialism can exclude forms of the market economy or capitalist forms of economy?

Lula: I believe that the great question of socialism is to have a society in which everyone produces for the benefit of everyone, without, however, limiting the creative capacity of men; without curtailing the freedom to think and the desire to progress in life. I have one concern--and it might not be true--that socialism should not be restricted to education, health, and work. I believe that this is very little. If you take a very large number of workers, place them in a factory or on a farm, pay them the same salary all year, without any other stimulus, I am afraid that they will begin to rebel against these conditions. The ability to satisfy individual wishes without hurting collective interests is a question about which I have my doubts. We need to promote discussions about this question within the PT, without passions, without concern about who will gain or who will lose. The basic concern must be to make sure that the discussions will result in an understanding of the people about the possibility of creating a new model.

FOLHA: Will that model be instituted through electoral channels?

Lula: I do not have high expectations about the electoral channels...

FOLHA: Not high?

Lula: Not high. I believe that the electoral channels will not make it possible to install the new model, transforming a capitalist system into a socialist system. It will be very difficult. I believe that through elections improvements can be made, creating conditions for the gradual implementation of a new model in this country. But the economic power, the dominant class, those who do not believe in socialism as an alternative will always put up restrictions. I believe that we at the PT and other segments of society must have clearly in mind that we will have to make any sacrifice so that the new system can be implemented in a tranquil and peaceful manner. Now, we must be prepared to react to the resistance of those who think differently.

FOLHA: But if the PT does not succeed in installing the new model through elections, it will only be able to do it through revolution...

Lula: Look, revolution is not necessarily determined by those who defend socialism; it is sometimes determined by those who defend capitalism. Do you think that the economic power and the dominant class will permit the PT to take the government of Sao Paulo through elections?

FOLHA: I think that it will depend on the extent to which democracy is strengthened...

Lula: Of course, but I have my doubts about that. And precisely because I have my doubts, I believe that we must be prepared not to permit that democracy be reversed by force. I think that there can be a reversal by force; I admit that someone from the right can win elections through direct vote, as happened with Janio Quadros here in Sao Paulo. But I cannot admit that the right should try to maintain itself in power by the use of arms. Here I am quite favorable to resistance by the people.

FOLHA: Armed resistance?

Lula: Yes, armed resistance. Look, this is nothing new. The U.S. Constitution, around 1700, admitted the armed struggle in cases where there was the need for self-defense to defend the will of the people's majority.

FOLHA: Then, you don't believe that the Brazilian "dominant class" will permit the PT to come to power through the vote?

Lula: I don't believe it. However, I will resort to all possible tricks, all plausible pretexts to try to come to power through the vote. If we do not make it, it will not be because we did not try it, but because they did not let us.

FOLHA: But the PT has not yet participated in an election for president.

Lula: Right. You can run for president and lose. But I have to be prepared, and to prepare the public for the moment when we enter the race and win, and they do not let us take office. When this happens I believe the responsibility will not fall on the left, but on the right.

FOLHA: At that time the PT will reserve for itself the right to react in a way that will not be electoral?

Lula: The PT reserves for itself the right to react with the same arms the right decides to use. This can now be seen in the struggle for land. The peasants do not want war; only land to work. The owners of large tracts of land are the ones who use arms to drive them off the land. When the peasants react, they do the right thing, because they cannot be running away all their lives. I am one who does not admit the existence of social classes. I believe that we could nicely have a single class in Brazil. If you permit social classes to exist, you are fostering class struggle, just as we have seen in other countries...

FOLHA: But look, now that we are emerging from a period of military rule, you are putting the question in the following terms: The PT will not be able to come to power through democratic means, because in principle these channels have been closed to the PT. You are not giving much credit to the building of democracy in Brazil, are you?

Lula: I believe that this is a question of what one thinks democracy is and what democracy is not. I learned that democracy exists where the great majority chooses the rules of the game for the functioning of society--and the great majority is the Brazilian working class. To the degree that this majority cannot determine the rules of the game, I believe it is subjected to a repressive or dictatorial process, or to a process of formal democracy, where the laws are meant to protect the interests of the dominant class, disregarding the interests of the dominated class' fair and legitimate struggle. The full democracy of which we dream is one permitting participation to formulated economic policy, educational policy, transport policy, agricultural policy, and so forth. I do not want to be the only one who knows the truth and has reason. My truth will have to be submitted to the collective truth. But the dominant class will not let us come to power through the vote, because it will not establish rules to make it possible. In the history of mankind, the dominant class has never tired of power and said: Very well, now it is the working class' turn to govern the country. Either we realize that we have to struggle for power, inch by inch, under changed rules, or we will always go to electoral rallies just to applaud the dominant class.

FOLHA: Democracy is not the vying of power under some basic rules as those applied in the so-called "formal democracies" of Europe and the United States. Theirs is not your idea of democracy, right?

Lula: No. I want to know this: Who approves the rules? To be a democrat is not sufficient to abide by the rules of the game. It is necessary to discuss the formulation of the rules of the games under equal conditions.

FOLHA: Yes, but once the rules have been established...

Lula: Ah! Fine. I believe that we must accept the results. Once the rules of the game give the working class an equal opportunity to participate with other segments of society. For instance, in 1982 when I ran for the governorship of Sao Paulo, I accepted the results although the rules were wrong: Others appeared on television more than Lula did. Although the communication media operates under state concessions, they are serving the interests of the economic power. They invited whomever they wanted to appear, and inviting Lula did not help their interests. Therefore, Montoro appeared on television 30 times per month, Figueiredo 40 times, Delfim Neto 80 times, Sarney 150 times--and Lula appeared once in a year! Is this equal opportunity?

FOLHA: Is Cuba the country that most closely approaches your idea of socialism?

Lula: No, I believe that no country approaches my idea. I believe that any socialist regime, even a capitalist one, must be adjusted to the cultural level of the people, their level of organization. In my opinion, the ideal regime for Brazil will be the one resulting from the discussion of the Brazilian people. What is good for Cuba might not be good for Brazil.

FOLHA: What do you think of the Cuban regime? Will the Cuban experience be taken into account by the PT?

Lula: Ah! A few things are very clear to me. You can by no means dismiss the Cuban success. How could a country of just 10 million people and 11,000 square kilometers end prostitution, infant mortality, illiteracy, and unemployment? These are facts that have been confirmed by international organizations such as UNICEF, WHO, and the United Nations. Cuba is the country with the lowest infant mortality rate in the world. Brazil has more resources than Cuba, Brazil has gold, precious stones, iron ore, bauxite, everything that people need; but it needs to be governed in a better way. Although I feel that the Cuban regime is good for the Cubans, I think that Brazil has to create its own, new regime. Keeping proportions, we have to admit that Cuba has been more successful than any other Latin American country. Cuba does not have one destitute person. I believe that in a country as rich as Brazil, we can have a better standard of living than Cuba.

FOLHA: To attain that objective, would you be willing to give up freedom for labor organization, press freedom, and the principle of succession in government?

Lula: A new regime would only make sense if it guaranteed freedom for labor organizations, and the freedom of expression. If these guarantees would be suppressed, I would have no interest in the new regime.

FOLHA: But the PT is in practice, not by its statute, a Marxist party, right?

Lula: I believe it is a Marxist party in practice, according to what I have read about Marxism. I prefer the PT to be a workers' party in practice.

FOLHA: What do you mean by workers' party?

Lula: I believe that the PT must do whatever truly reflects the common aspiration of society. It should be loyal, honest, and be involved with the struggle of society at every step. The party must be part of the social movement; it must be democratic, capable of coexisting with adversity and with the companeros in internal political disputes, recognizing its external enemies. I expect a PT member to abide by these laws.

FOLHA: The PT political project takes society into consideration. But, actually society is made up of workers, businessmen, and the middle class. Will the PT project take into account all these sectors?

Lula: The PT project has to take into account the great majority of people, which is made up of the workers, not the businessmen.

Brizola Criticizes Statement

PY031609 Rio de Janeiro O GLOBO in Portuguese 31 Dec 85 p 3

[Excerpts] It is inept, inappropriate, and unwarranted. This is how Governor Leonel Brizola evaluated a statement by Workers' Party [PT] President Luiz (Lula) Inacio da Silva to a Sao Paulo newspaper, admitting that the armed struggle is admissible to resist attempts by the rightist forces to come back.

Brizola said that what impresses him most about Lula's remarks "is his disdain for democracy." In Brizola's view, the positions of the PT president that were revealed in that interview show that "he is 20 years behind the times."

In the opinion of the Rio de Janeiro governor, Lula's position defending the armed struggle "is worthy of the MR-8 [8 October Revolutionary Movement] and some minor Trotskyist groups." Brizola accused the magazine VEJA of trying to boost Lula's image with the public, giving him a cover headline in order to revert the bad light case on him by the "gratuitous offenses" he had hurled at the Rio de Janeiro governor.

/6091
CSO: 3342/57

BRAZIL

BRIEFS

DROUGHT LOSSES IN MATO GROSSO ASSESSED--Campo Grande--The death of 100,000 head of cattle heads a report from the Mato Grosso State Secretariat for Agriculture and Cattle Breeding to be delivered to Agriculture Minister Pedro Simon by state cattle breeders, before 8 January. The cattlemen explained that in the state of Mato Grosso, the losses caused by the drought exceed 3 trillion cruzeiros. They included a list of requirements to alleviate the situation. The report stated that 200,000 hectares planted with soybeans, i.e., 16 percent of the 796,000 hectares under cultivation, have been lost. The report also stated that rice losses have reached 58 percent; corn, 50 percent; cotton, 20 percent; and beans, 57 percent. According to the survey carried out by the Agriculture Secretariat, total losses are 504,500 hectares of crops. Agriculture Secretary Joao da Camara yesterday said that cattle raising, the state's main activity as far as Merchandise Distribution Tax collection is concerned, suffered great losses last year during the critically long drought. He said, direct losses, including cattle deaths and an average loss of 30 kg per animal set aside for fattening, total 720 billion cruzeiros, while indirect losses are estimated at 700 billion cruzeiros. [Text] [Rio de Janeiro O GLOBO in Portuguese 6 Jan 86 p 13 PY] /6091

MISSIONARIES KIDNAPPED IN ANGOLA--Itamaraty has asked the Angolan Government and the International Red Cross for help in securing the release of two Brazilian Baptist missionaries, Sisters Miriam and Margarida Horvath, 23 and 24 respectively, who were kidnapped on 31 December in Kaluquembe, Angola, by UNITA forces that are fighting to topple the Luanda Marxist government. [Text] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 4 Jan 86 p 1 PY] /6091

CSO: 3342/57

CHILE

PINOCHET LUNCHEONS SEEN SIGNIFICANT PUBLIC RELATIONS GAMBIT

Santiago QUE PASA in Spanish 28 Nov 85 pp 12-13

[Article by M. Ester Roblero]

[Text] "How are things?" Col Guillermo Garin asked innocently on welcoming President Pinochet's guests. He is the head of the La Moneda Palace Military Household. Tall, dark, around 40 years of age, it was also he who had the task of telephoning the favorite individuals some days earlier with the invitation to lunch. "The president wants to talk with you about the situation in the country and the 'Agreement,'" the colonel explained.

This is not the first time in history that the long tablecloths have been laid out in the dining room at La Moneda Palace to entertain "leaders in national affairs," as these guests are now called in the palace. Settling political differences "between courses" is a deep-rooted custom in Chilean history. During the government of Arturo Alessandri, the menu offered by the president was published on the front page of EL MERCURIO. His son, Don Jorge, was more frugal. His guests were invited to share tea with plain biscuits, Julio Duran of the Radical Democrats recounts, but he was also a firm believer in the efficacy of dining room dialogue. Now Pinochet is revising this tradition. In earlier years, some politicians were invited to La Moneda, but never as many as now. Since last 11 September, innumerable "personalities" have passed through its courtyards and corridors. Although the guests have included supreme court judges, the directors of communications media agencies and some young professionals, without a doubt it is the luncheons for politicians which have caught the attention of the public. More than one suspicious individual has wondered what Pinochet is plotting.

Possible Public Relations Ploy

The guest list was carefully drafted by the Office of the Secretary General of the Presidency, which is headed by Major General Santiago Sinclair. On the appointed day, those invited enter the Red Room on the second floor of La Moneda Palace, one by one. Everything there is red--the chairs, the walls, the carpet. A door opens and the president appears. He is impeccably dressed in civilian clothes, with a pearl stickpin in his tie. "He has worn this for a long time," those close to him explain.

Waiters in white serve the cocktails--wine, sherry or whiskey (there is no alternative for nondrinkers), with walnuts, almonds and cheese. Pinochet takes his seat on the chair especially reserved for him, and makes small talk with his guests. This is the only moment at which the press is allowed a brief entry. Then the doors are closed and the party proceeds to the dining room. Some observers say that all of these "personalities" share some common characteristics: they belong to the political "right wing," they recognize the constitution and its time periods, they are anti-Marxist and they value the armed forces. Why have they been brought together in the palace? "The president likes to keep up with what is happening," his closest collaborators explain. "This was a public relations ploy to create the image of an open government," some opposition politicians maintain, for their part.

Others insist that Pinochet is trying to assess how adamant these "personalities" are, above all where the relationship between civilians and uniformed officers is concerned.

Initially it was believed that all of the guests also shared a rejection of the National Agreement. However, during these lunches some have stood up in defense of this document. Sergio Silva Bascunan, Angel Faivovich and Jose Luis Cea set forth their arguments to Pinochet, who listened to them cordially but insisted that his opinion about the "Agreement" was unchanged.

What else has been discussed at these luncheons? No one knows exactly, because the guests have absolutely nothing to say on the matter. According to other politicians who have not been invited to date, the silence is nothing but a screen to conceal the fact that nothing of importance is discussed at the luncheons. They maintain that the talk between courses is about the weather and other trifles. Moreover, they argue, the politicians invited have never dared to criticize the president, making an effort, on the contrary, to appear to be loyal collaborators. Despite all this, it is known that at the first luncheon held at the La Moneda Palace, attended exclusively by members of the UDI, a political plan characterized by controlled openness was proposed to Pinochet.

The unanimous comments of those who have attended the luncheons have to do with the president's calm. They say that he seems relaxed and health, as if in truth nothing worried him. He speaks little and listens a great deal. He seems interested in knowing what the others think. His lengthiest speech usually occurs at the end of the luncheon, when the plates with the seal of the Republic of Chile have been removed. On all of these occasions, he has eaten food somewhat different from that offered his guests--lighter and unseasoned. And he has rarely drunk any wine, always having a yellowish beverage instead, which it is thought might be cold camomile tea. Following the dessert course, he takes some mandarin oranges from the silver fruit bowl on the table and peels them with his fingers. It is then that he makes his speech. He recalls the fragility of pacts similar to the "agreement," mentions the negative experience of the English who trusted the Soviets after World War II, and voices a warning about the use the Marxists make of alliances. Then he rises from the table, and his guests follow suit. He even accompanies them to the door of the Red Room. Luncheon has ended.

The Guests Lists

19 September: Sergio Fernandez, Jaime Guzman, Javier Leturia, Luis Cordero, Carlos Goni, Juan Antonio Coloma and Ignacio Astete. (All are members of the UDI.)

10 October: Mario Gonzalez Contesse (former Masonic grand master), Juan de Dios Carmona (social democrat), Hermogenes Perez de Arce (independent, former national), Mario Arnello (former national), Julio Chana (Allessandrist), Pablo Rodriguez (MAN), Gustavo Cuevas F. (MAN), Angel Faivovich (radical democrat), Jaime Guzman (UDI) and Gustavo Alessandri (independent, former MUN [National Unity Movement] member).

15 October: Julio Duran (radical democrat), Jaime Tormo (radical democrat), Jose Luis Cea (independent, former Christian Democrat), Sergio Fernandez (UDI), Lucia Maturana, Lidia de Carmona, Sergio Silva Bascunan (independent), Jorge Cauas (independent, former Christian democrat), Gustavo Monckeberg (independent), Nicanor Allende (independent), Enrique Edwards (Alessandrist) and Apolonides Parra (PADENA [National Democratic Party]).

18 October: Full Supreme Court of Justice bench--15 judges. (Supreme Court President Rafael Retamal declined the invitation.)

29 October: Manuel Tagle Valdes, Jose Luis Cerda U., Haydee Vallejos M., Carlos Cruz Coke, Salvador Correa Larrain, Carlos Vial Espantoso, Patricio Vildosola F., Jorge Santibanez C., Carlos Errazuriz E., Elena Fornes Llona, Gustavo Vicuna Salas and Jaime Bulnes Sanfuentes.

5157
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EX-SENATOR RESPONDS TO CRITICS OF VALDES' SPEECH AT RALLY

Santiago COSAS in Spanish 28 Nov 85 pp 87-89

[Interview with Juan Hamilton, Christian Democratic Party leader, by Soledad Miranda, date and place not given]

[Text] During the afternoon of Thursday, 21 November, three well-known national personalities took a taxi to O'Higgins Park. They got out at Ercilla Square, and before doing so, one of them said to the driver: "Do you realize the importance of this trip you have made? You have here two National Journalism Prize winners." He was referring to Hernan Millas and Emilio Filippi, who shared the back seat. Turning to the man in the passenger seat beside him, the driver responded: "I have been carrying someone still more important--a former republican senator."

Former senator Juan Hamilton laughed as he recounted the story, and he continued to discuss, revealing satisfaction, what the meeting in the park meant.

"A polemic discussion has developed about how many were present. I believe it is very difficult to establish the truth. What is important is that in my view, this was the largest popular gathering ever held in the whole history of Santiago. I participated in the March of the Young Fatherland during the campaign which put Eduardo Frei in the presidency, with the highest majority ever won in this country. And that involved fewer people than this did. The two gatherings organized by the opposition against the Allende government, that in the National Stadium and that on Grecia Avenue, were smaller as well."

Hamilton, a lawyer, Christian democratic leader and architect by adoption, has worked very closely with the communications sector. In the park, he participated like any other, and therefore could see the crowds present, and how it was already impossible by 6 pm to get across the ellipse to the stage.

"Naturally, this gathering cannot be compared to any of the meetings which have been organized in the support of the government in these past 12 years. A comparison would be ridiculous, impossible."

Coexistence Is Possible

[Question] What did you think of the massive participation of the MIR [Movement of the Revolutionary Left] and the Communist Party in the gathering?

[Answer] The meeting in the park had various positive features. first, it was gigantic. Second, it was absolutely peaceful. Third, it was extremely pluralistic, both in the social and political senses. There were right-wing, center and left-wing people. That the Popular Democratic Movement was represented would not surprise anyone. What should surprise some people is that contrary to the predictions they made, not one act of violence occurred.

[Question] Didn't this participation entail a risk, in view of everything the spokesman of the National Union and the National Party had been saying?

[Answer] Risk of what?

[Question] Of a rupture in the National Agreement.

[Answer] Quite the contrary. This meeting, and in particular the address by the single speaker, the president of the Alliance and of the Christian Democratic Party, served to ratify the National Agreement. And the people present in the park gave its support as well, although some only did so where the short-term measures were concerned.

[Question] Critics of the address say that Gabriel Valdes revealed the lack of a political program, was destructive in the judgments voiced and failed to show a desire for reconciliation.

[Answer] I do not share this view. I know that it is a difficult task to speak to hundreds of thousands of persons at a gathering who are of one mind, while at the same time speaking over a radio network to a country listening in another spirit. I believe that the address by Valdes to some extent succeeded in making this synthesis. There are parts of his speech, such as those referring to the difficulties of democracy and relations with the Armed Forces, and condemning terrorism, which are notable.

[Question] General Matthei and Admiral Merino had come out in favor of a future dialogue with the opposition, provided always that the extremists were excluded. Was it desirable then to have this meeting where once again the center sectors appeared together with the Popular Democratic Movement?

[Answer] The Agreement has a natural addressee, the Armed Forces. For it to be perfected, it is presumed that the time will come for negotiation with the Armed Forces allowing a peaceful and orderly transition toward a democratic regime. But while this desire is implicit, to date no suitable body within which this dialogue could occur has been created. Thus a meeting like that in O'Higgins Park, which reflects the fact that a large majority of the citizens of Chile, above and beyond all their differences, support the Agreement, want a peaceful outcome, and desire democracy above all, far from being undesirable, is an endorsement. It is in a way a legitimate pressure to encourage this type of negotiations which can effectively lead toward democracy.

[Question] In this connection, what do you think of the statement by Juan de Dios Carmona, to the effect that the extremist sectors should withdraw on their own from any demonstration for democracy, precisely in order to facilitate negotiations?

[Answer] The gathering revealed what is possible in Chile--the coexistence of all the political sectors, with respect for the values and norms of democracy. There was no ideological customs search there, if such could have existed, to check on what those entering sought. Thus an effort to determine the political identification and personal intentions of those attending seems to me short-sighted and pointless. And it means a failure to understand the political consequences which precisely this gathering should have.

Mobilization Is Indispensable

[Question] You speak of political consequences. What are they?

[Answer] I would say that in Chile, the potential for political participation by dissidents had been denied or severely limited for more than 12 years. Thus the positive aspect of this meeting is that the government authorized it and that the national police guaranteed the exercise by the citizens of Santiago by their right to assemble, and for this reason there were no incidents of any type.

Thus the first political consequence is that the dissidents expressed themselves and this is leading them to continue to mobilize. The second important consequence is that we Chilean democrats have again shown to the world the struggle we are waging to recover freedom and democracy. And thirdly, I believe that within the government, beyond the official statements which some spokesmen have made, there can be no self-deception.

[Question] How so?

[Answer] On the highest level, the government must know the truth about what happened that day. What they are putting out to us is not the truth. Certainly the truth is known and understood and will weigh in the decisions of the government in the near future. Finally, I believe that the demonstrative effect of the isolation of the government and the weight of the opposition against the Armed Forces is particularly important. This is just one milestone along the lengthy and difficult path the people of Chile are pursuing to win back democracy.

It is also related to other undertakings which have marked the recent era, which include the appeal for true reconciliation, justice and liberty which the Catholic Church formulated; the generous response of all the political sectors, including the people who favor the government; the vast support given by the social sectors to the National Agreement; and the great support seen from outside, so clearly illustrated by the concern of the government of the

United States, the democratic governments in South America, and the European Economic Community.

Desirability of Mobilization

[Question] Does the success of this gathering point to a need to give priority to mobilization over other types of actions?

[Answer] Under the difficult circumstances the country is experiencing, both because of the crisis and because of the lack of will on the part of the regime to satisfy society's demand, various conditions must be met. One is the statement of a possible alternative to the dictatorship which can win the support of a large part of civilian society. In a way, the Democratic Accord is that, because it contains the minimal foundations in the economic and social and institutional sectors, and a governability pact for a democratic regime. The second condition is social mobilization in peaceful, but efficient, terms. This mobilization means more than a street march or demonstration. It is the demand of the various agents of society for the resolution of their problems, in which the common denominator is the necessary democratizing process.

This is what the university students are doing when they abandon the structures imposed on them by the regime to reestablish the FECh [Student Federation of Chile], and it is what the debtors in the south are doing when they join together to save their businesses and keep working. This type of mobilization recognizes a common demand, which is for the democratizing process as the point of departure for an effort which, with sacrifice and with time, can succeed in resolving or at least reconciling the multiple problems to which the regime has given rise over 12 years. Thus social mobilization is absolutely indispensable in order to achieve a transition to democracy. To the extent that the people mobilize in peaceful and orderly fashion, the Armed Forces will have to listen to this demand and provide an answer to it. In this way, the time will come when the Armed Forces will be in a position to keep the promise they made in 1973, when they ousted President Allende in order to "reestablish the institutionality which had been destroyed in the shortest time the circumstances will allow." Twelve years have elapsed and we have been notified by the minister and secretary general of government that the intention of the regime is to stay in power indefinitely.

[Question] How do you view the right wing in such a mobilization?

[Answer] I would say that the right wing is and is not involved. For if one contemplates the problem of the debtors in the south, I suppose that many of these ruined small and average businessmen are men who must be rightist in their thinking. At the same time, it is a secret to no one that the right wing, passively or actively, served as the civilian support of the government, and that, beginning with the failure of the economic model in 1980, it has reacted and moved away from the regime. All of this involves a dynamic, which, should it continue, will leave the government without significant civilian support.

[Question] Neither Andres Allamand nor Carmen Saenz went to the park and they have come out against mobilization.

[Answer] We do not assign so much importance to this...it is an error. I would rather that the National Union and the Nationals had gone. I am not aware of the reasons why they decided not to. I do regret this and I hope that in the future, when a gathering for democracy is held, all will be present and will in this way exert pressure so that democracy comes as soon as possible.

Maintaining the National Accord

[Question] You mentioned Minister Francisco Javier Cuadra. How do you interpret the speech in which he accused the Christian democrats of moving always toward the left?

[Answer] Because of the fact that Minister Cuadra occupies a high ministerial post, he plays an important state role. But when he voices daily opinions and criticisms, he does two improper things. He attacks the opponents, without recognizing their right to defend themselves. There have been specific cases of statements by the Christian democrats to which he responded by prohibiting their publication before they could be made known to the public. It is also improper to exceed proper bounds in the use of the mass media. When one hears him making references to the gathering in O'Higgins Park, one would think that he is not acting as secretary general of government, but as the commander in chief of the campaign to elect General Pinochet through the 1989 plebiscite.

[Question] Do you see the Christian Democratic Party as leftist?

[Answer] In the view of some, every faction acting in the country in favor of human rights, to reestablish democratic coexistence or to overcome the crisis is seen as extreme leftist or "red." The Christian Democratic Party has a long history in this country. It has now been in existence for 50 years, and has been both in the opposition and the government. It has functioned under the democratic republic and under the dictatorship. And if there is one charge which cannot be made against it it is that it has not been faithful to its principles. Because it opposes the extremes, the Christian Democratic Party is centrist. But it is a progressive party, which wants to reconcile justice with freedom, and this means that it cannot be placed at either of the two extremes, but it can be viewed as in a vanguard position.

[Question] What do you think about the youth of your party, especially in the universities, who provide justification for those who accuse the Christian democrats of lack of definition in their sectorial alliances?

[Answer] We do not act on the basis of what the right or left wing thinks, but rather in terms of how we truly see the reality of the country and our commitment to the people of Chile. It is obvious that we sometimes commit errors. But our position with regard to the Communist Party has been absolutely clear in the universities and in national life. We disagree absolutely with the methodology the communists, the MIR [Movement of the Revolutionary Left] and the Manuel Rodriguez Patriotic Front are using, employing violence in their form of terrorism to destroy the stability of the regime. For apart from their failure, they become in fact the real supports of the regime in providing some sectors with arguments for claiming that only the government can defend the people against these actions. In the case of the University of Chile Students Federation, we ran in this election independent of the Communist Party.

[Question] Yes, but I was thinking of the University of Santiago de Chile, the USACH, Austral University and others. Are these errors, as you say, or do you give them positive value?

[Answer] I would prefer that this relation of ours with the communists in social organizations which are of importance and have political repercussions not occur anywhere. Precisely, although there is an explanation from the point of view of the organization involved or the actions occurring within it, because from the national point of view this contributes to distorting our image, to confusing many people, and basically, it gives some government sectors justification for trying to distort what we are in the eyes of the public. In any case, the result at the USACH has been that instead of having a communist student at the head of the student organization, a Christian democrat was elected.

[Question] In this whole picture, what does the reaction of the government against the gathering seem to be?

[Answer] The government seems closed, ignoble, ungenerous and unrealistic, turning its back to what the real country is and committed to its sole political model, which is to perpetuate itself in power.

[Question] What remains for the opposition to do?

[Answer] First, to support the National Agreement as an alternative to the model of the regime and as the expression of the agreement of the civilian population. Insofar as possible, to perfect it and broaden it, and in any case to increase popular support of it, which has already been seen in more than 1 million signatures. Secondly, to maintain and perfect peaceful mobilization in the direction of a common demand for the democratization of the country. And third, to demand that the Armed Forces keep the promise still pending since 1973 to replace the institutional system which was destroyed.

From this point of view, the National Agreement represents a worthy solution for the Armed Forces.

It will have to move much farther forward in order to be able to ensure that it keeps its promise through negotiations which will provide the country with a rational political solution and a viable transition toward democracy.

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CHILE

SECURE VEHICLE FOR POPE'S VISIT DESIGNED

Santiago EL MERCURIO in Spanish 2 Dec 85 p C-3

[Text] Although the preliminary study phase with regard to the design and construction of the vehicle to be used by Pope John Paul II during his visit to Chile in March of 1987 only began recently, it is a certainty that the "Popemobile" will have a fully armored chassis and tires and a bulletproof glass dome to provide the Holy Father with maximum security.

This was announced by the executive officer of Metalpar, Jaime Paredes, although "for security reasons," he refused to provide further technical details about the vehicle. Even so, there is considerable talk about the future "Popemobile" to be built almost entirely in Chile beginning in March 1968, and to be completed in June, months before the arrival of the supreme pontiff in the country.

He recalled that "at the time of the attack on the Pope in the Vatican some years back, he was riding in an ordinary standard jeep, with no standard protection."

It then became necessary to protect the Holy Father, he said, something which had never before been the case in the history of the world. "Now, on all of the trips the Pope makes to various countries, the local security forces make a vehicle called the "Popemobile" available to him. Even the smallest and most underdeveloped countries have concerned themselves with providing him with a very safe vehicle. His Holiness does not usually use his own vehicle on visits, but is provided with one."

He said that "we are currently gathering information from foreign factories which have already done work of this type, Mercedes Benz in particular, which has built such vehicles in recent years. We also asked the apostolic nuncio, Monsignor Angelo Sodano, for all the information the Vatican has, that is to say photographs and measurements and how many people must travel in the "Popemobile." These various aspects are yet to be determined."

However, he confirmed that "the chassis will be provided by the Mercedes Benz firm of Brazil, or, if not, that in the FRG. Negotiations are already under way and work will start at the beginning of March, once the technical and security details are clarified by the commission which the Ministry of Foreign Relations will appoint on the 15th of next month."

He added that if John Paul II travels with only his driver and bodyguard, a 280-GE chassis with a Mercedes Benz engine from the FRG will be used, while if six persons come to Brazil, we will use a OM 314 chassis with a diesel engine. "The small vehicle will be 4 meters in length and 2.20 in width, and the larger, 6 meters long and 2.20 wide. The height will be 2 meters," he said.

"We will only import the chassis, including wheels, axles, engine and gearbox, because Chile does not produce chassis. We will manufacture the rest, using domestic elements and manpower," he added.

On the subject of some of the characteristics of the vehicle, he said the following: "There must be high visibility, so that all of the people in the street can see the Pope. In addition, it must be high so that he will be prominent, and it must be safe in all respects. In addition, there will be air conditioning, because the Holy Father will be entirely closed in. The tires must be protected. This is a rather complex product."

As to the glass to be used, he said that "it is high security, and can take the impact of high-caliber bullets. This glass is used throughout the world for the protection of safes, banks, etc. It is very light but no type of bullet will penetrate. This glass is domestically produced and is an inch thick, more or less."

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LA ESCONDIDA ZINC PRODUCTION EXPECTED TO BEGIN IN 1990

Santiago EL MERCURIO in Spanish 30 Nov 85 p B-3

[Text] If financing is obtained and the sale contracts signed, the La Escondida copper deposit could be exploited beginning around 1990 while it will be decided within the next 3 months whether the Cerro Colorado copper deposit will go into operation. This information was provided by Phillip Crowson, head of the economic department of The Rio Tinto Zinc Corporation, who came to our country to participate in the seminar on "Copper Challenges to the Year 2000," which was organized by the CESCO [Copper and Mining Studies Center].

The La Escondida deposit, which is located in Antofagasta, has 875 million tons of reserves. It is owned by Utah International (60 percent), The Rio Tinto Zinc Corporation of England (30 percent) and Mitsubishi (10 percent).

When Crowson was asked about the progress on the project, he said that "the prospecting work is almost completed, and we are seeking potential markets and financing throughout the world.

"If financing is obtained and copper sale contracts signed, we would be thinking of launching production at the beginning of the 1990s. This is very soon for a deposit which was discovered in 1981."

Concerning the effect of current copper prices on the decision to launch exploitation, he explained that "we are not going to initiate production in 1985, but over a longer term, and we will be projecting prices 10 years from now, which may be very different from those at present."

When asked whether these projections place the price at a level of 70 or 80 cents on the dollar per pound, he explained that the mine is possible at prices below those mentioned, adding that "we believe that toward 1990, prices will be at least at the level of 70 cents on the dollar per pound."

With regard to the background information which led Rio Tinto Zinc to embark on large-scale projects at La Escondida (requiring an investment of more than US$1 billion), under circumstances in which the oil companies which went into the mining business some years ago are now withdrawing from it, Crowson said that "we believe that we understand mining while the oil companies do not.

The oil companies bought ore deposits when the prices of oil were very high. They believed that they had abundant capital and that the technologies for oil were very similar. They paid ridiculous prices for projects and now they have been burned. As a mining company, we are only concerned with operations which are efficient, profitable and well-supervised."

He added that the projects in which the oil companies in Chile are involved involve copper content levels of less than or slightly more than 1 percent, while the content level at La Escondida is over 2 percent.

"Once the crisis is settled at the metals exchange in London next year, I believe that prices will tend to rise. This also depends on the avoidance of a new recession in the U.S. economy. If these factors are right, the price could reach about 70 cents on the dollar per pound, perhaps in May or June of next year, with an average of about 67 cents per pound for 1976," this expert said.

With regard to the situation of the Cerro Colorado project located in the First Region, also involving copper, he said that the operator is the Canadian Rio Algom enterprise, in which Rio Tinto has an interest.

He said that the Canadian company has majority control of the project, and "they have not decided to launch the project. They have made arrangements for financing in the marketing of their products and they are studying the question of whether to begin production or not."

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COLOMBIA

ADMINISTRATION SEEKS FUNDS TO PAY 1986 EXPORT CERTIFICATES

Bogota EL ESPECTADOR in Spanish 14 Nov 85 p 2

[Excerpt] Yesterday the government began the search for additional resources to pay the CERT [Tax Refund Certificate] to Colombian exporters in 1986 since the predicted revenue for 1986 will not cover it.

The Executive Branch had budgeted 6,551,000,000 pesos, 30 percent of the 5-percent tax on imports.

However, one decision of the Council of State is that only 20 percent of that tax can be used next year for payment of the CERT. This lowered the available resources to 4,434,000,000 pesos which means a budgetary imbalance of 2,217,000,000.

The CERT is an instrument through which the state refunds part of the taxes that local exporters have paid in advance.

The confusion arose from different interpretations of Budgetary Finance Law No. 55 approved at the beginning of this year. Treasury resources to meet its obligations to the export sector were overestimated.

This circumstance forced the minister of finance, Hugo Palacios Mejia, to ask Congress for ways to make up for that imbalance.

Palacios Mejia sent a letter to the president of the Chamber of Representatives, Daniel Mazuera Gomez, who is also the proposer of the budgetary finance bill for 1986. The letter asked the congressman to explain the situation to the chamber and propose additional resources to make up for this new budgetary shortage.

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BACKGROUND OF PROPOSED OIL PIPELINE NEGOTIATIONS TRACED

Bogota EL ESPECTADOR in Spanish 13 Nov 85 pp 1-A, 9-A

[Article by Dario Fernando Patino]

[Text] The Colombian Government authorized the construction of a pipeline between Rio Zulia in northern Santander and Covenas in Sucre costing $500 million (more than 80 billion pesos). This volates the existing laws in the country, goes beyond the contract signed between Occidental and ECOPETROL [Colombian Petroleum Enterprise] and ignores the opinion of technicians and directors of ECOPETROL.

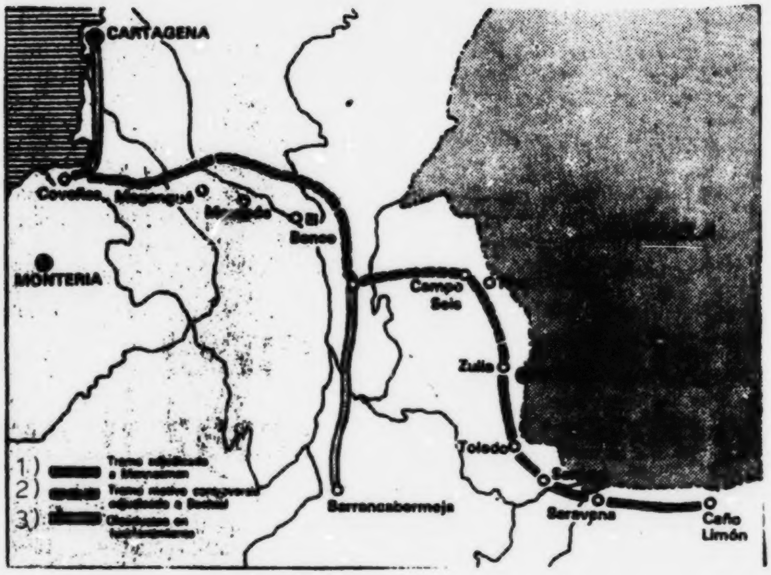
The specific objective of this enormous project that will require public expenditures of more than $250 million is so that the U.S. firm Occidental Petroleum Company, discoverer of the rich Cravo Norte field in Arauca, can export more than 100,000 barrels of crude oil per day beginning next year.

Occidental awarded the construction of the 480 kilometers of pipeline and the adaptation of the port of Covenas to the Bechtel Company of the United States without public bidding. It is rumored that Occidental is one of its shareholders.

Despite the opposition of two members of its executive board who considered the pipeline illegal and undesirable and the abstention of the previous minister of mines and energy, Alvaro Leyva Duran, ECOPETROL approved the project during a meeting at which, oddly, the two opponents to the project were not present.

A few days later, Occidental carried out one of the biggest deals in its history by selling half of its participation in the Cravo Norte field and other annexed areas for $1 billion. It had only invested some $60 million in them.

EL ESPECTADOR learned about this from sources tied to the oil sector and by consulting files and press publications that have referred to the singular relationship between the Colombian Government and Occidental, listed by FORTUNE magazine as the eighth largest enterprise in the world in 1984.



This map shows the path of the Puerto Limon-Rio Zulia-Covenas pipeline.

Key:

1. Segment awarded to Mannesman
2. Controversial segment awarded to Bechtel
3. Operating pipelines

Luck?

Apparently, Occidental's success in our country is due to luck and the boldness of its president, Armand Hammer, an 86-year-old man who has been involved in unusual business deals with people like Lenin, Mao Tse-Tung, Nixon and Qadhafi.

On 11 June 1980, Occidental signed an association contract with ECOPETROL to explore the Cravo Norte field located in the intendance of Arauca a few kilometers from the border with Venezuela at its own risk. The area had already been unsuccessfully explored by Texas in the last decade and in 1982 the mighty Exxon ended its search there without achieving the fabulous results it had expected even though it had invested more than $120 million.

Although there were critical times when it almost withdrew from the project, it found a promising well at the end of 1983. About 6 months later, this and successive findings made up the second largest discovery in Colombia since the famous Mares Concession near Barrancabermeja in 1921.

According to spokesmen of the company, the government and the private sector, it was a real stroke of luck that this company in financial difficulty and with relatively little investment found good quality crude oil in an area where there did not seem to be good reserves.

However, facts indicate that it was not so much a stroke of luck but the generosity of ECOPETROL which led to such good results. In a report published at the beginning of this year, the vice president of Occidental, James B. Taylor, stated that the success of the company was due to ECOPETROL's flexibility in handling contracts and finances rather than to a technological feat.

The U.S. businessman said: "It would not be an exaggeration to state that the Cano Limon discovery (or Cravo Norte) would not have been achieved under a rigid system. The terms of the association contracts were the key to this success."

Flexibility That Hurts

The government's generosity has continued since the discovery until now. At the very beginning, Occidental violated the basic rule of waiting for ECOPETROL to communicate the good news. It announced it internationally in statements Hammer himself made to THE WALL STREET JOURNAL, the most important financial newspaper in the United States.

According to reliable information, this angered the Colombian authorities who learned of the discovery from the foreign press. They sent a letter of protest to the directors of Occidental.

The parties to the contract continued to have frequent public disagreements about the size of the reserves and the production capacity of the field. Precisely how much oil exists under the soil in Cravo Norte has still not been determined.

The pressure of the news forced the minister of mines and energy to call a press conference at the Cano Limon wells and warn that, from then on, the national government would be the only one that would report on this. At that time, Occidental spoke of 1 billion barrels in reserves and ECOPETROL 600 million. They have never agreed.

Enter the Pipeline

After the discovery was confirmed, the parties agreed to construct a 300-kilometer pipeline between Cano Limon and Rio Zulia (near Cucuta) to connect it with another one already installed between there and Covenas which belonged to Chevron Company. This procedure was defined by the contract itself so that it did not arouse controvery.

Despite the fact that two pipelines leave from Rio Zulia for the ports of Covenas and Cartagena, ECOPETROL approved Occidental's request to construct another one that had the capacity to transport up to 200,000 barrels of crude oil per day since it was agreed that the existing ones were not enough.

Discussion Begins

The decision, however, caused intense discussions within the executive board of ECOPETROL. One member supported the thesis that the association contract could not permit a project costing almost $500 million and involving public money to be awarded except under the regular ECOPETROL system, international public bidding.

He stated that there is no legal way Occidental, as operator of the project, could privately contract the execution of the pipeline. He felt that doing this meant ignoring Colombian legislation.

Another director opposed continuing forward with the million-dollar project without defining who was going to export how much. He cited as an example the case of Orito in Putumayo, a promising field that was unfortunately exploited in 1975 when the price of oil was much lower than today. It was almost exhausted in a short time.

He also observed that, with a much lower investment, it was feasible to adapt the existing pipelines and the port of Covenas in order to export moderate amounts.

The minister of mines and energy then, Alvaro Leyva Duran, preferred to let his successor, Ivan Duque Escobar, participate in the decision.

In the end, approval was given at a meeting at which only Minister Duque Escobar and directors Gilberto Arango Londono and Ignacio Betancur and alternates Ernesto Carrizosa and Aurelio Martinez Canabal were present.

The responsibility of constructing the pipeline and the Covenas terminal was given to Bechtel, a U.S. firm that some years ago was headed by the current U.S. secretary of state, George Shultz. According to sources in the U.S. financial market, Occidental has shares in that company to which it awarded a contract for $500 million.

Hardship or Convenience?

There were various reasons to defend the contract. Occidental, without being authorized, bought $80 million worth of pipes for the pipeline before the decision was made as to who was going to do the project.

Other members of the executive board felt it was wrong for the government to antedate that decision that was finally made with obvious pressure from Occidental.

Following the guidelines of the contract, ECOPETROL could have let its partner commit only itself to the project. One of the clauses (21.2) establishes that if one of the parties wants to do work for oil transportation and export without the agreement or disapproval of the other party, it will be authorized to construct, operate and maintain those installations at its own cost and risk without affecting the normal development of the joint operations.

Nevertheless, ECOPETROL agreed to the project and, therefore, must pay more than $250 million (some 40 billion pesos) despite the fact that everything seems to indicate that the greatest benefit will go to the foreign partner.

First-Rate Business

It is curious that a few days after receiving approval, Occidental surprisingly sold 50 percent of its share in the different projects in Colombia to the European firm Shell. The minister of public works, Rodolfo Segovia Salas, called this $1-billion transaction (it is believed it was much higher) "a miracle from heaven." It not only saved Occidental from its financial problems but guaranteed coverage of its investments in the country and increased its earnings.

However, things are not as rosy for ECOPETROL which this year will have losses of about 25 billion pesos, according to its president, Alfredo Carvajal Sinisterra.

It will also have to commit itself to an ambitious foreign debt program of $200 million that has led the country to make some questionable concessions to international credit organisms.

ECOPETROL's need to make such high investments has meant that, for the first time in its history, it owes the foreign companies from which it buys oil. The minister of mines and energy and the president of ECOPETROL have warned that the future readjustment of domestic fuel prices will be aimed precisely at compensating for these losses.

In a recent speech to the Senate, Minister Duque Escobar gave a description of the precarious financial situation of the largest state company in the country. At the same time, he defended the pipeline and noted that there was no justification to delay this project since it would have to be done in the future.

Oil Exhausted

What is that future? Despite the importance of the recent discoveries, ECOPETROL has not officially announced that its recoverable reserves total more than 1.5 billion barrels of crude oil. In other words, if new productive fields are not found, Colombian oil would barely last 10 years.

Events and statements this past year lead to the prediction that the extraction of crude oil will not be as moderate as experts recommend.

In talks with the U.S. press, tacitly corroborated by speeches by the top oil executives in Colombia, Mr Hammer has assured that his field in Arauca (Cravo Norte) will produce 200,000 barrels of crude oil per day for the company starting in the middle of 1986 (EL ESPECTADOR, 25 Oct 84).

Considering that Occidental (with Shell) owns barely 40 percent of the production of this field, this means that, according to his optimistic predictions, Cravo Norte would produce some 400,000 barrels of crude oil per day which would exhaust it in less than 5 years. The technical recommendation is not to produce more than 100,000 barrels per day.

Who Decides?

The way this field should be treated has not been decided by the oil authorities yet. Despite the continual summons by the Congress of the Republic, there has been silence on this subject.

According to what is written in the association contract, it does not seem that the government has the authority to make this decision. According to another clause (12.1), the operator (Occidental) will periodically determine, with the approval of the executive committee, the proportion in which the wells will be exploited.

Authorized spokesmen like the former president of ECOPETROL, Juan Francisco Villareal, one of the few Ph.D.'s in oil engineering, have warned repeatedly about the dangers of excessive extraction of crude oil, both technically and financially.

With the volumes of exploitation that the government promised Occidental, according to Villareal, in 1990 we will definitely have to import oil again. Permitting the foreign partner to make all the exports cheats the country since an equilibrium in the balance of payments will never be reached. The dollars received for oil sales will not come back to the country, thanks to the law.

A recent statement by the minister of mines and energy gives an idea about who that fortunate exporter will be. "It appears to be best if ECOPETROL supplies the domestic consumption and its partner exports."

Travesties Continue

The friendship with the legendary Armand Hammer is costing the country dearly. At this time, the executive board of ECOPETROL is again the scene of serious confrontations due to unforeseen changes in the expense accounts by Occidental as operator of the project.

One of the most brazen examples is that after it rejected the existing pipelines, Occidental demanded that one of them--from Velasquez to Covenas--be readapted so that it provide service while the main one is finished.

This controversial decision, reluctantly approved by the executive board of ECOPETROL, can cost $14 million in additional expenses for the joint account and demonstrates the partner's desire to export its product.

As if this were not enough, it then demanded the purchase of special equipment for the Covenas terminal costing close to $50 million when the budgeted cost for that part of the project was barely $27 million. This bill has not been approved due to opposition by some directors who stated that it is not possible to accept such overruns since the contract with Bechtel was signed at a fixed cost.

Very reliable sources assured EL ESPECTADOR that directors of Occidental, headed by Hammer, have tried to pressure President Betancur himself to approve this investment.

The actions of the multinational company must be controlled by an executive committee made up by representatives from it and ECOPETROL. These new bills led the executive board to appoint a committee of experts to give them biweekly reports on the actions of the executive committee but this apparently has generated discord between the parties.

Favored

The way Hammer moves in the financial world easily shows the favored one in the negotiations related above. The multifaceted businessman told his shareholders: "Colombia represented almost all the increase in exploration and development expenses of the enterprise, $203 million to $235 million since last year."

Remembering that just this year it received $1 billion for the sale of half of its projects in our country, it is clear that these $32 million in additional efforts have been more than compensated for. A stockbroker on Wall Street, citing company sources, stated that Occidental's revenue from Colombia will reach $200 million in 1986.

The vice president of Occidental wrote in an article published by the REVISTA DE MARES of ECOPETROL: "When the drilling of the well (Cano Limon) began, our efforts to obtain partners had failed. Many of the companies said they did not have funds; others had doubts about the oil potential in the Llanos basin. Still others expressed their lack of interest in exploration in South America. It need not be said, but we have received countless proposals for association after the Cano Limon discovery."

Analysts ask why Occidental wanted to sell its participation in Colombia if, in a report presented to the government on 22 February 1985, it stated that it had $1.2 billion to invest in the Cravo Norte project and that it also had $2 billion in unused authorized bank credits. One of the analysts noted: "With so many resources and the good oil it says it has, anyone would prefer to keep working in Colombia."

This is not all. Rumors continue to spread that it will also sell the rest of the shares here. Whether that negotiation is finalized or not, Hammer has concluded one of the most important and successful financial adventures in recent years at the expense of the oil and finances of a South American country.

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TELEVISION SHOW AROUSES AWARENESS OF FOREIGN OIL PRIVILEGES

Bogota EL ESPECTADOR in Spanish 20 Nov 85 p 8-A

[Article by Dario Fernando Patino]

[Text] Colombia hopes to resolve a good part of its economic problems through oil exports beginning next year. However, it does not have any instrument to permit it to retain at least part of the enormous profits that the foreign companies that mine hydrocarbons in national territory will receive, thanks to one of the many laws casually approved by the Congress of the Republic.

Despite official statements on the imaginary energy situation, the truth is that there is nothing in current legislation that guarantees that Colombian petrodollars will remain in the country and resolve the public finance problems.

In a hasty, last-minute session, the Chamber and the Senate approved one of the most unusual laws in recent times, without even realizing it apparently. They exonerated the foreign oil firms from continuing to pay the export tax in Colombia so that they could pay it in their countries of origin, mainly the United States, France and the United Kingdom.

This measure is only one paragraph in Article 46 of Law 9 of 1983 (on tax reform), but it will mean a loss in dollars for Colombia that is impossible to quantify. Despite their seriousness, these three lines in the mentioned law suddenly appeared without the government or the proposer of the law admitting having introduced them.

Incredible History

Although 2 years have passed since its approval, this glitch did not arouse any concern until a few days ago when voices of authority like that of the comptroller general of the republic, Rodolfo Gonzalez Garcia, were heard during an investigation by journalist Gloria Cecilia Gomez of Cinevision.

Ever since the foreign oil companies arrived in Colombia at the beginning of the century, their profits have enjoyed countless privileges. These were fully ratified in 1967 with Decree 444 (or the Exchange Statute) that eliminated their obligation to return the foreign currency they received from their oil exports to the country (Colombia).

However, at that time at least the 20-percent tax on exports or profits that the enterprises sent abroad remained in effect. Also they had to pay a 40-percent income tax like any other company.

In 1974, the Lopez Michelsen administration issued the economic emergency decrees and the export tax became the only tax supervised by the Exchange Office of the Bank of the Republic and not the Tax Administration which was logical and traditional.

Since the oil companies could bring in and take out dollars without supervision by that office (no one really knows how much they invest and how much they earn), this meant that there was complete tax evasion from that time on since there was no known amount on which to collect taxes. As if that were not enough, the oil service companies whose currency exchange is supervised also began to ignore their obligations to the treasury, receiving most of their payments in other territories so that they were not accounted for here.

"Magical" Solution

In an effort to control the loss of dollars, the government decided during the 1982 economic emergency that supervision of the export tax would return to the Tax Administration. At the same time, it decided that this would be collected when ECOPETROL [Colombian Petroleum Enterprise] paid the foreign firms for its purchase of hydrocarbons, not afterwards, in order to prevent tax evasion.

Like most others, this emergency decree was annulled by the Supreme Court of Justice. Therefore, it had to be proposed to Congress in the form of a bill.

The bill retained the export tax for the oil companies, according to testimony by one of its authors, attorney Horacio Ayala.

However, just before being approved, the mentioned paragraph of exemption appeared, worded in such a way that it surely kept the parliamentarians from understanding its significance. Not even the proposer, Gabriel Rosas Vega, who had to have studied the bill in all its dimensions understood it. That can be seen when reading his report to the Third Commission of the Chamber. The minister of mines and energy then, Carlos Martinez Simahan, said that the government did not introduce the curious change. There is no clue in the congressional records to indicate who was responsible.

The oil companies, some of which are the richest in the world, received the harshest punishment imaginable for tax evasion for so many years: they were legally exonerated from paying the tax.

Who Benefits?

Contrary to what first thought, those who benefit the most from this exemption are not the foreign companies but the treasuries of their native countries.

According to the tax legislation in countries like the United States, France and the United Kingdom (which have the largest participation in the 195 association contracts and the 21 concessions), when one of their enterprises must pay taxes abroad, it is exempt in its native country. When the reverse occurs, that benefit is eliminated. This means that the depressed Colombian state granted these three countries the opportunity to tax a minimal part of the oil profits.

This is perfectly explained in a memorandum sent to the comptroller, Rodolfo Gonzalez Garcia, by Martha Juliana Silva de Ricaurte, a UN consultant. To begin with, she considered "the preferential treatment given to the mining and oil enterprises by Law 9 of 1983 debatable from any point of view."

She maintained: "From the perspective of the tax policy, this exemption is wrong since they are being given preferential treatment. Therefore, collections are not being made from the sectors where most of the foreign investment in recent decades has been concentrated and where they are now preparing to begin the largest exports, concretely of coal and oil."

She added: "This exemption is merely a transfer of funds to the treasury of any developed country that invests in Colombia (mainly the United States), given the laws of those countries on credits for taxes paid abroad, known in English as foreign tax credit."

The consultant also pointed out that the income tax rate that is collected in Colombia is lower than that of other mining and oil-exporting nations like the United States which collects 48 percent, Canada, 50 percent, and the United Kingdom, 52 percent. (Remember that the rate here is 40 percent.) The memorandum concluded: "Colombia taxes the revenue of the foreign companies at a lower rate. Its tax generosity is equivalent to a transfer of resources from the General Treasury of the Republic to the treasury department of the United States, the United Kingdom, or any other country. If they do not pay here, they pay in their native country."

Nothing Remains

What is left for Colombia? Oil exploitation is done under concession systems through which the foreign firm extracts all the crude oil at its own risk to sell it to ECOPETROL. (It is not yet exported.) It is also done through systems of association where exploitation of the field is divided in half with costs shared equally. ECOPETROL also buys the crude oil from its associates.

The state enterprise pays for that oil at a price almost equal to the international price--that is, $29 per barrel. About 75 percent of that payment is made in dollars and 25 percent in pesos. The fraction in local currency is used to pay for obligations in Colombia like manpower, suppliers, and income taxes. The vast remainder can leave the country without any control and without being taxed.

The foreign associates allegedly allocate 20 percent of the oil they find for royalties to the municipalities and departments surrounding the field. This is not really the way things are since if the association contract is read carefully, it can be seen that ECOPETROL--in other words, the taxpayers themselves--pays half of that.

Although there is no authority to control this movement of dollars earned from Colombian reserves, ECOPETROL revealed that in 1984 the associated companies produced 5.6 million barrels of oil and the concessionaires produced 23.6 million barrels. They sold these to the state at an average price of $28.5, meaning revenue for them of about $900 million (some 126 billion pesos) of which $675 million could easily have left the country. However, experts consulted by this newspaper state that these figures are low.

According to those observers, the saddest thing is that now that the country is preparing to export crude oil, it will be more difficult to grab some of that bonanza even though government speeches say the opposite. If the foreigners remain the only ones allowed to export, as seems to be the case, they will receive their dollars abroad. Since they will have no obligation, they will really pay very little into the national coffers. Occidental, obviously, will benefit the most.

On the other hand, if ECOPETROL exports, repayment is obligatory and the benefits of the bonanza will be more tangible. Otherwise, the only benefit will be that oil will not have to be imported like it is now. That will mean a decrease in expenses of approximately $500 million per year which is little compared to the large volumes of crude oil that will soon be produced.

Troubled Waters

Under such conditions, it is better to be a foreign oil company than a Colombian one since the latter would be required to repay dollars and to pay a double tax.

Many Colombian investors see it this way. During this investigation, EL ESPECTADOR learned that several Colombian citizens and financial corporations have formed oil companies in places where few taxes are paid like the Bahamas and the Cayman Islands. They then come here as foreigners and sign association contracts with ECOPETROL. In that way, they receive all the benefits of a foreign investor. A good part of the existing associations are like this. Thanks to this "parliamentary improvisation," as the comptroller called it, the oil bonanza is at the door, but only of the foreign companies.

The defenders of the exemptions assure that it is a stimulus for investment. This must be true since in 1984, after Law 9 was approved, Colombia "broke a record" in association contracts signed. According to the president of ECOPETROL then, this success was the result of Colombia's good image, political stability, and reliability.

7717
CSO: 3348/233

HAVANA ARCHBISHOP ON RELATIONS WITH STATE, CHURCH ATTENDANCE

Santiago MENSAJE in Spanish No 345, Dec 85 pp 521-522

[Interview with Msgr Jaime Ortega, archbishop of Havana, by Raul Gutierrez, at the Archbishopric in Havana; date and time not given]

[Text] It was a spectacle without precedent in the last quarter century of Cuban history, for some a symptom of a more comprehensive change that is taking place in Fidel Castro's regime. Thanks to direct radio and television coverage, millions of Cubans were able to hear the message of many committed priests, nuns and laypersons from all over the region, who participated in the conference on the Latin American foreign debt.

The paradox is obvious, considering that the Political Constitution that was drafted in 1980 and bears the label "the victorious doctrine of Marxism-Leninism" shows little respect for religion and actually imposes severe restrictions on it. In fact, after proclaiming that "the socialist state bases its actions and its teachings on the scientific-materialist concept of the universe," permanent Article 54 "recognizes and guarantees the freedom of conscience and the right of each individual to hold any religious belief . . ." But "placing one's faith in opposition to the Revolution, education, fulfilling the duties demanded by one's employment, the armed defense of the Fatherland, respect for national symbols and the other duties set forth in the Constitution" is declared illegal and punishable.

The young archbishop of Havana, Msgr Jaime Ortega, followed the speeches with interest for 4 marathon days, seated in the back row of the enormous hall at the Palace of Conventions. He maintained similar discretion with journalists; very few managed to wangle an invitation to interview him at the beautiful colonial palace that serves as the headquarters of the Archbishopric, in the heart of old Havana. Because of its historic value, this area has been declared by UNESCO to be the "patrimony of humanity."

Value of Prudence

[Question] Msgr Ortega, you could have taken advantage of the presence of hundreds of journalists from all over the world and called a press conference to explain the situation and the position of the Cuban Church. But you did not do so, and in fact behaved rather elusively.

[Answer] It is not out of fear or carnal prudence that we bishops have in general decided to take the cautious attitude you have noted; we have avoided making statements that are susceptible to being interpreted simplistically.

The situation in Cuba is complex, and one must be very open-minded to analyze it. We do not think rigid assessments are appropriate. The Revolution has some favorable aspects and other negative ones. Furthermore, external factors have had a significant influence on its dynamics; one example is the position of the United States, whose threatening proximity is difficult for those ignorant of our history and geography to understand.

We know, moreover, that our words can be manipulated, especially abroad. Thus, we have chosen to remain silent. For example, we have not praised the undeniable social advances or the promotion of such noteworthy values as racial integration, respect for labor, solidarity, etc., because if we had done so, some would have accused us of being opportunistic, and others would have thought we were a church subject to political power.

[Question] It is commonly believed abroad, however, that the Cuban Church is persecuted, or at least subject to constant hostility.

[Answer] The head-on collisions with the regime are a thing of the past. But we do feel rather limited. There is no possibility of spreading the Gospel through the mass media. Education is militantly atheistic, which makes us appreciate the importance of freedom of education and the availability of Catholic schools. Full participation in political life is a right to which only members of the Communist Party are entitled.

[Question] In such an environment, there is a very great danger of becoming a ghetto.

[Answer] We know that such a danger exists. In a society that is, in the best of cases, moving from an attitude of hostility to the church to one of tolerance, religious activities acquire an unusual value. There is a strong temptation to restrict one's feelings of loyalty to God and the Church to the confines of the temples, hoping that others will be attracted to it by spontaneous religiosity or by a desire for transcendence when the basic necessities of life are satisfied. We do not want to remain in a circle of initiates; we must assume the tasks and risks the Lord offered to those who wanted to be His disciples.

It is beautiful to be able to say that a growing number of laypersons are taking on the challenge that this implies. Thus, alongside the devoted men and women who are dedicated to caring for the sick and elderly in the state welfare agencies, we find hundreds of professionals, workers, technicians and peasants whose willingness to serve, spirit of solidarity and sense of discipline distinguish them in their workplaces, neighborhoods or schools.

[Question] In light of what you have stated, the normalization of life in the Cuban Church, which you would like to accomplish through dialogue with the government, goes far beyond the solution of short-term or formal administrative problems.

[Answer] We want to work with others shoulder to shoulder for the common good in our Fatherland. We want to say no to everything that strikes us as dehumanizing, and to respond quickly when exertion, sacrifice and love are needed.

We hope that the way we are perceived will change, so that the community of people who believe in the Lord will no longer be regarded as a body that is alien to society. We hope that the quiet tolerance or mere acceptance that we face today will one day become full participation, without demagoguery or boastfulness on our part, but also without our having to deny what we are.

[Question] In a recent homily you gave before the members of the Cuban Ecclesiastic Reflection, you stated that you want a church that will belong to everyone, a missionary and liberating church.

[Answer] Yes, a church that belongs to everyone, with a presence among the people themselves, totally open to dialogue. This does not mean acceptance of ideologies, but progress toward an encounter with mankind. It would be a missionary church that would radiate the light of the Resurrected Christ, so that our brothers could discover the transcendent meaning of life. It would also be a liberating church, committed to the service of its brothers and demanding its right to love deeply.

In sum, with the help of the Lord, we are trying to build a church that experiences the spirit of the beatitudes, in poverty, with the feeling of the cross, constantly seeking and revising, and with a spirituality that is at once individual and communal.

[Question] What kind of relations do the Cuban bishops have with their counterparts in the rest of Latin America?

[Answer] The government has never prevented us from leaving the country to attend meetings or to travel to Rome. So our participation in the Latin American Bishops Conference (CELAM) is completely normal. I would say that many Latin American brother bishops do not understand our position, but they have never failed to show us respect and esteem.

[Question] It is said that Liberation Theology has aroused the interest of Fidel Castro and of high-ranking political decision-makers in Cuba.

[Answer] It is true, and perhaps that is the reason for the obvious change that has taken place recently in attitudes toward religion, manifested at the debt conference in a way that until recently would have been unimaginable.

In the beginning, government and Communist Party officials had a very imperfect understanding of the meaning of that school of theology. There were those who contended that it had no relevance to Cuba, since the country has freed itself of poverty and exploitation. At present, there appears to be an effort to understand the phenomenon better.

We value the efforts many brother theologians have made in trying to establish a closer bond between reality and the message of the Lord. Nevertheless, our priorities are different. Rather than the Christian-Marxist dialogue, for example, what we are interested in is a frank, sincere dialogue between the Cuban Government and our church.

[Question] Beyond that dialogue, however, which could be considered institutional, it would be interesting to find out what has happened to the people's religious attitudes in an atmosphere that has not favored religion.

[Answer] At the sacramental level, according to our estimates about 40 percent of all children are baptized. We do not have reliable figures on the total number of baptized people, but it undoubtedly exceeds 50 percent of the population. We estimate, on the other hand, that only about 1 percent of the people attend Sunday mass.

Now, at the last Festival of St Lazarus, honoring a figure who is highly venerated by the people, the police estimated that nearly 200,000 people attended. This is an impressive figure if we consider that the population of Havana is just over 2 million. Significant numbers also continue to go to the Sanctuary of the Copper Virgin of Charity.

It is important to note that since the turn of the century this country has undergone a severe secularization process, which distinguished Cuba from what we could call the average Latin American society. In other words, some trends date back many years, and respond to phenomena that are more complex than just the Marxist-oriented revolution.

8926
CSO: 3248/126

SAVINGS BANK URGES RENTERS TO APPLY FOR OWNERSHIP

Havana BOHEMIA in Spanish No 45, 22 Nov 85 p 35

[Text] Message to the Public from the People's Savings Bank

The People's Savings Bank would like to express its concern about the small number of onerous usufructuaries who have come to its offices to complete the necessary procedures to acquire the long-awaited Deed of Ownership to the dwellings they now occupy. The following figures (as of 23 October) provide objective proof of what we have stated:

Estimated total of onerous usufructuaries:	507,637
Application forms handed out to:	404,223
Number of applications duly completed and turned in to the Bank:	151,910
Remainder still not turned in:	252,313
Usufructuaries who have received their Deeds:	100,772

As the above figures show, only 20 percent of the onerous usufructuaries have obtained the benefits provided under the General Housing Act by becoming owners of their homes. In contrast, 50 percent have not properly filled out and returned the applications to the Bank, to enable it to expedite processing and deliver 100 percent of the Deeds of Ownership in honor of the 3rd Congress of the Communist Party of Cuba (PCC).

On the other hand, the usufructuaries are still slow to go to the Settlement Agencies, once they have been summoned, to pick up their Deeds of Ownership. As of 23 October, the Offices of the People's Savings Bank had 25,000 Deeds of Ownership that had not been picked up by the interested parties.

In addition, we can report that 103,414 onerous usufructuaries did not pick up the forms at the Bank on the two occasions when they were called upon to do so.

Which situation applies to you? Do you already have your Deed of Ownership? Have you not yet gone to the Bank to pick up your Deed of Ownership? Have you not yet picked up the applications to fill out? Have you picked them up but not returned them, duly completed, to the Bank?

The People's Savings Bank, being the bank of the Cuban family, is always ready to serve you and to help you by providing dedicated service and facilities of all types. To help the public process the Deeds of Ownership, the Settlement Agencies remain open until 2200 hours. We repeat once again that the employees of these Agencies are ready to serve you, in accordance with the Code of Conduct they have signed.

We are appealing to everyone now to meet their commitments to the People's Savings Bank and to the Cuban Revolution by taking the following steps now, without delay!

1) The 103,414 onerous usufructuaries who have not yet gone to the Bank to pick up the blank applications to request transfer of home ownership are hereby informed that as of today they can go to the Settlement Agencies at any time--the sooner the better!--to pick up these forms, without waiting for more announcements or appeals;

2) The 252,313 people who have received the applications but have not returned them should do so quickly, taking advantage of the facilities we provide. If you have any questions or problems, do not hesitate to ask the employees of the People's Savings Bank, who are ready and willing to answer your questions;

3) The 25,000 onerous usufructuaries who have completed the transfer process at the Settlement Agency in their municipality are hereby informed that their Deed of Ownership is awaiting them and they should pick it up as soon as possible, thereby helping us to carry out expeditiously the tasks assigned us under the General Housing Law.

People's Savings Bank

Don't forget we are your Bank. This means you have an obligation to help us.

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CUBA

BRIEFS

USSR RECEIVING DISPLAY MONITORS--The workers of the Enterprise for Producing Technical Equipment for Computers (EMCO) fulfilled their production plan for exports, upon completion of the 1,320th display monitor. The monitors are to be sent to the Soviet Union, and were manufactured at the EMCO plant in Arroyo Naranjo. The EMCO production plan calls for 1,600 display monitors; 1,413 have already been completed, which puts the enterprise in a good position to fulfill its production plan by the end of December, for the first time since 1981. This year a total of 1,440 CID-7220 display monitors will be exported to the USSR. Several lots are waiting in warehouses for CONSUMIMPORT to pick them up and ship them, reported Jorge Garcia, director of the production center. EMCO Director Francisco Fernandez explained to GRANMA that this year the enterprise has already produced more than in all previous years put together. He stated that in July there was a backlog of 193 monitors. The supply was stabilized, however, and the remainder was made up as a result of the effort and dedication of workers and technicians at the center, as well as a support group that came from other enterprises in this sector. There too, many voluntary workdays were put in on both working and non-working days. [Excerpts] [Havana GRANMA in Spanish 22 Nov 85 p 3] 8926

CSO: 3248/126

BRIEFS

FEBRES TO VISIT U.S.--President Leon Febres Cordero's visit to the United States will be very important for Ecuador and for the Foreign Secretariat because it will include the discussion of political and economic affairs and bilateral cooperation between our two countries, Foreign Secretary Edgar Teran has said. [Begin Teran recording] From the standpoint of protocol and as an international political event, the visit will be especially important for Ecuador because it will be an extended state visit during which president Febres will receive the highest honors conferred by the U.S. Government to visiting heads of state. A number of issues in connection with politics, economics, and international cooperation between the United States and Ecuador will be addressed during the visit. These will bring very positive results for Ecuador. [Excerpts] [Quito Voz de los Andes in Spanish 1130 GMT 23 Dec 85 PA] /12232

LEGISLATORS TO VISIT CUBA--At the invitation of Cuban President of the Councils of State and Ministers Commander in Chief Fidel Castro, Ecuadoran National Congress Chairman (Aberroes Buearan Sacia) will visit our country next Thursday. A group of legislators will accompany the head of the Ecuadoran Parliament. Among them will be Leonardo Escobar, chairman of the Special Commission on International Affairs. [Text] [Havana Radio Reloj Network in Spanish 2135 GMT 7 Jan 86 FL] /12232

CSO: 3348/335

GOVERNMENT STUDYING UN PROPOSALS ON ESSEQUIBO ISSUE

FL211755 Bridgetown CANA in English 1747 GMT 21 Dec 85

[Text] Georgetown, Dec 21--The Guyana Government is studying a number of proposals from United Nations Secretary-General Javier Perez de Cuellar for resolving the country's longstanding border dispute with neighbouring Venezuela, Foreign Minister Rashleigh Jackson said today.

Jackson gave no details but said Guyana intended maintaining contact with the secretary-general on the matter. The UN chief was asked in 1983 to intervene in the dispute, dating back to 1899, after the two countries failed to resolve the issue.

Venezuela is claiming the mineral-rich Essequibo region, almost two thirds of Guyanese territory.

Under a 1966 agreement signed in Geneva, the UN secretary-general was charged with choosing a suitable means of settlement.

On de Cuellar's behalf, Under Secretary-General Diego Cordovez visited Georgetown and Caracas twice, in August 1983 and in March this year, for talks with officials of the two governments.

/7358
CSO: 3298/249

GOVERNMENT ACTIONS TOWARD CHURCH LEADERS SPARK ROW

Catholic Church's Charges

FL201607 Kingston Domestic Service in English 1100 GMT 20 Dec 85

[Text] The Guyana Roman Catholic Church claims that the government has launched an unprecedented persecution campaign against the country's major denominations, the Anglicans and Catholics in particular. This, it is reported, in the wake of church criticism of last week's controversial general elections.

A Jesuit superior father, Mathew (De Sousa), who sent a telex message to the Barbados-based Caribbean Council of Churches, said Catholic, Anglican, Presbyterian, and Moravian leaders are being subjected to harassment by the security forces and abuse, mainly in the state-owned media.

Guyana's left-wing government has ordered the expulsion of British-born Jesuit priest Patrick Conners. Conners' work permit has been withdrawn and is to leave the country by tomorrow.

Kirton Comments

FL302230 Bridgetown CANA in English 2309 GMT 29 Dec 85

[Text] Bridgetown, Dec 29--The general secretary of the Caribbean Conference of Churches (CCC), Rev Allan Kirton, says Guyana's recent deportation of a Roman Catholic bishop was a serious matter.

The Guyana Government's behaviour is one that would be expected from a loser, which causes me to wonder if they really won the elections, he said.

What we are witnessing is a serious development in Guyana which leads us to conclude that the regime has lost control of the situation, he said.

Barbados-based Roman Catholic Bishop Anthony Dickson was deported from Guyana yesterday after arriving for discussions with Guyana clergymen on worsening relations between the Guyana church and government.

Kirton said the silent hypocrisy of Caribbean political leaders on events in Guyana should be deplored. St Vincent and the Grenadines Prime Minister

James Mitchell had been the only regional head of government to speak out on developments in Guyana, he said.

Church and government relations dipped after the December 9 general elections which saw more established denominations supporting opposition allegations of election fraud.

The homes of three Guyanese clergymen were recently searched and a British-born Jesuit priest resident in Guyana for 21 years has been ordered out of the country for activities inimical to the state.

Archbishop's Expulsion

FL302022 Bonaire Trans World Radio in English 1130 GMT 30 Dec 85

[Text] Roman Catholic Archbishop Anthony Dickson has returned to Barbados after being expelled from Guyana. Archbishop Dickson was one of several Caribbean Catholic leaders who went to Guyana to lend their solidarity to Guyanese archbishop Benedict Singh whose home was searched following an expulsion order issued against the Reverend Patrick Connors, a British-born Jesuit priest.

The Guyanese Government ordered Reverend Connors to leave Guyana by December 31st because of his alleged activities against the government.

The homes of Bishop Singh and several other religious leaders in Guyana were searched last week following a protest issued by the Guyana Council of Churches, which condemned the expulsion of the reverend.

The archbishops of Trinidad, Jamaica, and Barbados traveled to Guyana last Friday to lend their support but Archbishop Dickson was denied entry into the country. He has been an outspoken critic of Guyanese President Desmond Hoyte.

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CSO: 3298/249

OPPOSITION PNP CONSULTING ON DEVELOPMENT OF MEDIA POLICY

Kingston THE DAILY GLEANER in English 4 Dec 85 p 11

[Text]

Consultations with several sectoral groupings about a media policy are being conducted by the People's National Party, said the party Chairman Mr. P.J. Patterson, last Wednesday.

Addressing the Veterans' Luncheon of the Press Association of Jamaica, Mr. Patterson said that while the party's media policy aimed to reflect its intention to build a participatory democracy, it had embarked on consultation with a number of sectoral groupings.

So far, it had received two reactions: one which was in respect of the JBC suggested that the original purpose of that station still remained valid. What was needed, he said, was to "remove political control, so that the station's credibility could be restored." A formula had been suggested along the lines of the Electoral Advisory Committee, in which both government and Opposition were involved with representatives from the related sector, in this instance, the PAJ and other national organisations.

The second suggestion was that consideration should be given to increasing the commercial radio network on a regional basis.

Mr. Patterson said that these and other proposals would receive "mature consideration." He said the PNP "would wish to invite the PAJ and all groups, organisations or any individuals with suggestions that promote an effective media policy to send them forward."

Observing that the economics and technology of modern communication had so changed that traditional structures and relationships would need to be examined, he said it seemed "the avoidance of press monopoly and the need to disseminate a variety of opinions are not necessarily secured by rigid compartmentalization between printed media and electronic media. Perhaps, we should focus, instead on the spread of the ownership base and establish a system with accountable democratic controls."

The luncheon, which was hosted by J. Wray and Nephew, was held in its Hospitality Suite.

Chairman of the occasion was Mr. Terry Smith of RJR.

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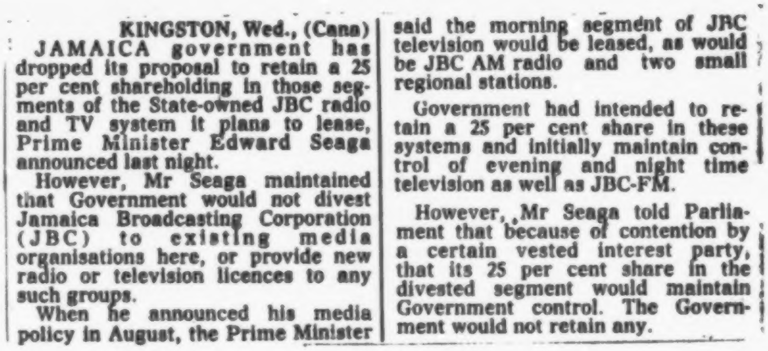
CSO: 3298/250

JAMAICA

SEAGA BACKS DOWN ON GOVERNMENT OWNERSHIP IN BROADCASTING

Port-of-Spain TRINIDAD GUARDIAN in English 19 Dec 85 p 5

[Text]



KINGSTON, Wed., (Cana)

JAMAICA government has dropped its proposal to retain a 25 per cent shareholding in those segments of the State-owned JBC radio and TV system it plans to lease, Prime Minister Edward Seaga announced last night.

However, Mr Seaga maintained that Government would not divest Jamaica Broadcasting Corporation (JBC) to existing media organisations here, or provide new radio or television licences to any such groups.

When he announced his media policy in August, the Prime Minister said the morning segment of JBC television would be leased, as would be JBC AM radio and two small regional stations.

Government had intended to retain a 25 per cent share in these systems and initially maintain control of evening and night time television as well as JBC-FM.

However, Mr Seaga told Parliament that because of contention by a certain vested interest party, that its 25 per cent share in the divested segment would maintain Government control. The Government would not retain any.

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CSO: 3298/250

GOVERNMENT INTRODUCES BILL TO INSURE BROADCASTING IMPARTIALITY

Kingston THE DAILY GLEANER in English 4 Dec 85 pp 1,3

[Text] A Bill amending the Broadcasting and Radio Re-Diffusion Act for the setting up of an independent Broadcasting Commission to ensure political impartiality of the electronic media, was tabled in the House of Representatives yesterday by Prime Minister Edward Seaga.

In a brief statement following the tabling of the Bill, Mr. Seaga said the central feature of the amendment was the provision for a right of reply in cases of misuse for party political purposes of time allocated to a Government, or in the case of any inaccuracies broadcast over the electronic media.

The debate on the Bill will open on December 17, and the Prime Minister promised to deal more extensively with the provisions and with related matters of media policy. The debate will break for the Christmas recess and resume when the House meets again in January.

Mr. Seaga told the House: "In introducing today into this Honourable House the Broadcasting and Radio Re-Diffusion (Amendment) Act, 1985, I propose that this piece of legislation should have the fullest opportunity for debate. Accordingly, I will be opening the parliamentary debate on this Bill on Tuesday, 17th December, and this debate will be resumed after the Christmas break.

"The purpose of this Bill is to amend the Broadcasting and Radio Re-Diffusion Act to provide for an independent Broadcasting Commission in order to ensure political impartiality of the electronic media. The functions of the existing Broadcasting Authority will be incorporated into those of the Broadcasting Commission, and the Commission will also be empowered to monitor and control the operations of the licencees under the Broadcasting and Re-Diffusion Act.

"The Central feature of the Bill is the provision for a right to reply in cases of misuse for party political purposes of time allocated to a Government, or in the case of any inaccuracies broadcast over the electronic media.

"The determination as to whether broadcast time has been misused by Government, or whether a licensee under the Act has permitted inaccurate information to be broadcast will be made by the Broadcasting Commission, the members of which will have been appointed by the Governor-General on the same impartial basis employed for the appointment of the members of the Electoral Committee.

"It is my intention in opening the debate of this Bill on Tuesday, 17th December to deal more extensively with its provisions and with related matters of policy."

Section 21 of the Bill which deals with the matter of impartiality in political broadcasts and which is a new development in terms legislation regarding the operations of the broadcasting media, states:

"(1)Where, under any broadcasting licence issued under this Act, time is allocated to Government for broadcasts for reasons of emergency or in the national interest, such time shall not be used for broadcasting any matter which is likely, or intended —

(a) to solicit support for any political party or to promote the election of any individual or of any political party to any public or municipal office or to the House of Representatives; or

(b) to attack the policies, plans or programmes of any political party or parties.

"(2) Where on any broadcasting station time is allocated to the Government or any political party for a broadcast which is used as mentioned in subsection(1)(a) or (1)(b), on terms whereby the time so allocated is free of charge or at any rate which is less than the normal commercial rate, equal time shall be allocated on that broadcasting station, on similar terms to any political party which the Commission is satisfied is likely to be prejudicially affected by that broadcast.

"(3) For purposes of ensuring compliance with subsection(1) or subsection(2), the Commission shall investigate any allegation of non-compliance made not later than 21 days after the date of the relevant broadcast and, if satisfied of the truth of the allegation, shall —

(a) if the allegation relates to subsection(1), direct —

(i) that equal time be afforded to such other political party or parties as may be approved by the Commission to reply to matters arising out of such broadcast; and

(ii) that any such reply is broadcast at such time, on such terms with regard to payment or otherwise and in such circumstances as are in the opinion of the the Commission necessary to ensure that the reply is given to the broadcast which was the subject of the allegation;

(b) if the allegations relate to subsection(2), give such directions as it thinks appropriate to ensure compliance with that subsection.

(4) Where it is alleged that any broadcast contains information which is inaccurate, the Commission shall, upon being required to do so by any person not later than 21 days after the broadcast, investigate the allegation and, if satisfied as to the truth of the allegation —

"(a) direct the licensee to broadcast an apology in such form as the Commission may determine; and

(b) subject to subsection(5), direct the licensee to afford to any person prejudiced by the broadcast the opportunity of broadcasting a reply for the purpose of rebutting any information alleged to be inaccurate.

(5) A direction pursuant to subsection(4) shall be on such terms as the Commission may determine, so, however, that, without prejudice to the generality of the foregoing —

(a) if, in the opinion of the Commission, the licensee did not exercise due care in ensuring the accuracy of the information where it was possible to do so, the broadcast in rebuttal shall be free of charge; and

(b) in any other case, the broadcast in rebuttal shall be on such terms as to payment to the licensee as the Commission may determine.

"(6) For the purposes of this section "political party" means a political party which, at the time when the matter arises has five or more members in the House of Representatives or which had, immediately prior to the then last preceding dissolution of that House, five or more such members:"

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CSO: 3298/250

JAMAICA

WORLD BANK LOAN, RESCHEDULING OF DEBTS SECURED

Loan for Power Company

FL112354 Bridgetown CANA in English 2111 GMT 11 Nov 85

[Text] Kingston, Nov 11--Jamaica is negotiating a U.S.21 million dollar World Bank loan for a three-year development programme for the island's state-owned light and power company, Public Utilities Minister Pearnel Charles announced.

The loan will be used to upgrade and expand electricity transmission facilities and for training, Charles told viewers of an exhibition here focusing on public utilities. The programme is expected to begin mid-1986, he said.

The minister said that the overall aim of government was to expand its use and efficiently deliver electricity and ultimately reduce its cost to consumers.

The consumer price for electricity, said to be much higher than U.S. systems of comparable size, was of a real concern, Charles said. He noted a 0.4 per cent fall in electricity usage last year, attributed largely to discontinuation of use by people who could no longer afford the service.

Electricity rates went up by over 100 per cent during 1984 under the government's austerity programmes dictated by the World Bank and the International Monetary Fund (IMF).

Charles said too that Jamaica was aiming to provide 4,000 new telephones a year and would seek World Bank funding for this project. He did not say how much was being sought, but noted that an investment of U.S.300 million dollars over eight years would be required for the telephone company to clear its backlog and meet real incremental demand, which was for 6,000 phones a year. The telephone company, Charles pointed out, had a waiting list longer than that for its current customers; 58,000 against 54,000.

Jamaica presently has 68,000 telephone lines and around 140,000 telephones, Charles said.

Agreement With Japan

FL161816 Bridgetown CANA in English 1638 GMT 16 Dec 85

[Text] Kingston, Dec 16--Japan has formally agreed to reschedule repayment of two loans to Jamaica for U.S. 12 million dollars after recommendation by the island's Paris Club of major Western creditors in July.

The agreement for the rescheduling was signed Friday by Jamaica's Prime Minister and Minister of Finance Edward Seaga and Japanese Ambassador Takeon Iguchi.

Seaga went to the Paris Club in July and was granted refinancing or rescheduling for U.S. 70.4 million dollars falling due in 1985/86. The arrangement covers 100 percent of maturities and 50 percent of interest.

Jamaica's foreign debt is U.S. 3.2 billion dollars.

The agreement with Japan is for a 1981 U.S. 10.4 million dollar loan from the Overseas Economy Cooperation Fund (OECF), and U.S. 1.6 million dollars from the Japanese Export/Import Bank in 1979.

The arrangement for the U.S. 10.4 million dollar loan is for 50 percent of the interest to be paid on the due date and the other half in 12 semi-annual installments beginning in March 1990. The interest rate is 4.7 percent beginning at the original due date.

For the EXIM Bank loan, repayment on the principle of U.S. 1.2 million dollars will similarly be paid in 12 semi-annual installments starting March 1990. The rescheduled 50 percent of interest will be similarly paid from 1990. The interest rate is at 8.3 percent on the rescheduled payment beginning from the original due data.

These were the first bilateral agreements announced by the government since the arrangement was reached with the Paris Club.

Seaga in July also reached agreement with commercial banks for the rescheduling of 100 percent of principal of U.S. 190 million dollars falling due during 1985/86 and 1986/87. Repayment will be over 100 years with a three year grace period.

Another U.S. 197 million dollar falling due between April 1987 and March 1990 is to be rolled over in a single loan repayable in 10 equal installments with interest rates to be determined.

Over 10 percent of Jamaica's 1985/86 budget is earmarked for debt servicing.

Agreements With Britain

FL262235 Bridgetown CANA in English 1517 GMT 30 Dec 85

[Text] Kingston, Dec 30--The Jamaica Government has signed loan rescheduling agreements with Britain and the local subsidiary of the Bank of Nova Scotia in a continuation of the process of reorganising the country's debts.

A new loan agreement for 2.5 million pounds sterling was also signed with Britain Friday, the government announced.

The rescheduling agreement with London, initialled by Prime Minister and Minister of Finance Edward Seaga and British High Commissioner Martin Reid, cover 3,029 million pounds sterling due between last April and next March. It is on similar terms to the agreement Jamaica reached with the Paris Club in July.

The full prinicipal of 1.92 million pounds sterling and 50 percent of the interest is being rescheduled and there is a total repayment period of nine years, including four-and-half years grace.

Jamaica went to the Paris club in respect to U.S. 70.4 million dollars falling due in 1985/86 and is now in the process of signing agreements with individual countries. Earlier this month an agreement covering U.S.12 million dollars was signed with Japan.

The country's total foreign debt is U.S.3.3 billion dollars.

Under the arrangement with Scotia Bank Jamaica Ltd, J270 billion dollars in debts owed by various statutory organisations and public corporations and guaranteed by the government is being consolidated.

The terms include a 10½ year repayment period with a 4½ year grace. The interest will be one percent above the bank's base lending rate. Financial sources here have termed the agreement generous.

Seaga has said that he intends to conclude similar agreements with other commercial banks.

Friday's documents were signed by the prime minister and Scotia Bank's deputy general manager Orville Walker.

Jamaica has a gross domestic debt of J6.8 million dollars.

Seaga said that the local rescheduling would put the public corporations, some of which have been divested, on a better financial footing and improve their ability to plan and develop.

The new loan from Britain is to purchase machinery and equipment from the U.K. and is interest free. Repayment will begin in 1992 and will run for 17 years.

/7358
CSO: 3298/251

JAMAICA

POSSIBLE U.S. PROTECTION OF ETHANOL COULD AFFECT EXPORTS

Kingston THE DAILY GLEANER in English 30 Nov 85 p 1

[Text]

Protectionism still remains a threat to Jamaica's J$50 million yearly ethanol exports to the United States, despite a United States customs ruling that the product qualifies for duty-free status under the Caribbean Basin Initiative.

According to the General Manager of Tropicana International (Jamaica) Limited, Mr. William Maloney, a report appearing in the **Gleaner** on Tuesday gave the impression that the firm was not exporting ethanol to the U.S. before September 19 when the U.S. Customs upheld its ruling that the product qualified for duty-free treatment.

Mr. Maloney said that his company, the largest distributor of ethanol and the first outlet of its kind in the Caribbean, had exported some US$10 million ethanol to the United States to date while it made an expenditure of US$9 million in its over one year of operation here.

He feared, however, that in a year's time Tropicana would run out of imported alcohol which was got from Spain.

Mr. Maloney told reporters here that the battle to get ethanol eliminated from duty-free treatment was being waged in the U.S. Congress and Senate through a Bill sponsored by two prominent Republicans backed by corn farmers.

The fact that the U.S. Customs has upheld the duty-free status of the product was not a guarantee for ethanol exports in the face of the Republican-sponsored Bill.

Jamaica and Barbados had taken a position that the Bill should not be passed, he said, adding that President Reagan who was still supportive of the CBI might veto the Bill. However, the U.S. corn farmers represented a strong lobby group.

Tropicana has plans to continue operating in Jamaica through the "backward linkage" concept of production if the Bill proved successful.

Mr. Maloney said that a US$10 million proposal was before the Government aimed at producing fuel alcohol in Jamaica, a venture which would see the use of a substantial portion of Jamaica's three million gallon excess capacity to produce alcohol.

Negotiations had been taking place between the Government and Tropicana for a long time and it was up to the country to decide as the company had done a lot to get a distillery set up in Jamaica.

"I can't talk about it too much here because it's in the formulation state," he said about the proposal.

Mr. Maloney said he would be willing to buy Jamaica's sugarcane at a higher price than that which was now being offered — in fact, in excess of J$74 per ton.

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CSO: 3298/252

BAUXITE PRODUCTION, EXPORTS SHOWING DECLINE

Drop in Output

FL131712 Bridgetown CANA in English 1705 GMT 13 Dec 85

[By Paget de Freitas]

[Text] Kingston, Dec 13--Jamaica's bauxite production for the first nine months of this year fell 33.4 percent, underlining the continued weakness of the world aluminum market and dislocation in the local industry, analysts here said.

According to the Jamaica Bauxite Institute (JBI), the government agency that monitors the industry, up to September bauxite disposed of (shipped as raw ore or refined into alumina) stood at 4,715,645 tonnes, compared with the 7,085,000 tonnes for the same period last year.

Total production in 1984 was 8,734,870 tonnes, and officials are expecting this year to be just over 6 million tonnes.

The earlier projections are just about holding good, one source said.

For the nine-month period, alumina shipments eased 3.4 percent at 1,230,900 tonnes, but bauxite crashed 55 percent at 1,780,209 million tonnes, when compared to the January to September period in 1984.

The dramatic decline in bauxite shipments was partly because of the end of Jamaica's stockpile sales to the United States and Reynolds' decision last year to close operations here, a spokesman said.

The Jamaica Government has been playing an important role, finding markets for 30.7 percent of total bauxite production during the first three quarters.

Third quarter statistics told generally the same story of decline in output, though there was some positive signs in terms of shipment of alumina.

According to JIB figures, total bauxite disposed of during the July-September period was 1,610,232, which was 9.1 percent below last year's third quarter figure and 3.2 percent down on the previous quarter.

Bauxite shipped during the quarter was 648,261, nearly 35 percent below the 1984 third quarter, and 3.7 percent less than this year's second quarter.

However, at 415,077 tonnes was 28 percent over the corresponding period in 1984, but 3.7 percent the second quarter figure [as received].

It seems that bauxite shipments were affected by the August shut down of the 1.1 million tonne capacity alumina partners (Alpart) refinery, which is owned by Kaiser and Reynolds.

It seems though that the Alcoa refinery here, now controlled by the Jamaica Government, helped provide a cushion.

Alcoa earlier this year decided to shut down the 800,000 tonne facility but the government stepped in to operate it. Alcoa still owns the plant but is paid a fee to manage it while all other matters, including the finding of markets, is left to a government company, Clarendon Alumina Productions (CAP).

Mining and Energy Minister Hugh Hart recently announced that he had ordered the plant run at near capacity for 1986, but has declined to reveal buyers.

CAP's general-manager Bobby Stephens told the GLEANER newspaper today of Third World customers to which CAP expects to sell most of 650,000 tonnes it expects to produce in 1986. Earnings are projected at U.S. 20 million dollars.

Alcoa officials rate the plant here among the 10 most efficient in the world, and Stephens told the GLEANER that CAP had reduced production costs between 25 and 30 percent since August.

We're making significant foreign exchange surplus and this makes us a net earner of significant proportions of foreign exchange, he said.

Stephens said that since August CAP had sold about 104,000 tonnes of alumina to Third World and East bloc countries, and that another shipment of 150,000 tonnes is soon to be made. Most contracts for 1986 were being finalized and prices negotiated.

Mining Minister Hart left here yesterday for talks in Miami on contracts, but as with other deals, the companies involved have not been released.

1985 Exports

FL172312 Kingston Domestic Service in English 2230 GMT 17 Dec 85

[Text] The Jamaica Bauxite Institute says preliminary data indicate that bauxite exports this year are half of last years. Last year 4.56 million tons of crude bauxite was exported and the projections for this year show 2.28 million tons. The institute says the sharp decline is now due to primarily three factors. These are identified as termination of bauxite shipments by Reynolds, as high as 19 percent in shipments by Kaiser Jamaica Bauxite Company, and the completion of the contract between the Jamaican and American governments for the supply of 3.6 million tons of Jamaican bauxite.

Alumina exports this year are projected at 1.51 million tons, 7 percent below the 1.7 million tons recorded last year, with the principal factor being Alcoa's decision to extend the [word indistinct] operation.

Total bauxite exported this year is not expected to reflect the 30 percent decline [as heard].

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CSO: 3298/251

JAMAICA

FOURTH GOVERNMENT PAYMENT TO SUGAR PRODUCERS SLATED

Kingston THE DAILY GLEANER in English 30 Nov 85 pp 1,3

[Text] A fourth payment of $130 per ton sugar is to be paid to cane farmers and sugar manufacturers on the 1984/85 crop, to bring the total payment to the industry to $1,530 per ton sugar.

Making this announcement yesterday, the Minister of Agriculture, the Hon. Dr. Percival Broderick, said that the payment was possible "based on revenue inflows into the Sugar Industry Authority up to the present time." The previous price for the crop was $1,400 with cane farmers receiving (approximately) $860 per ton sugar and sugar manufacturers $540 per ton sugar produced.

The Minister expressed the hope that the additional payment will assist in improving efficiency in the industry and the quality of cane delivered to factories during the coming crop.

The following is a part of the Minister's statement:

Cane farmers and sugar manufacturers are aware that a total price of $1,400 per ton sugar has so far been announced in respect of the 1984/85 sugar crop. This price is shared between cane farmers and sugar manufacturers as follows —

Cane farmers — (approximately) $860 per ton sugar.

Sugar manufacturers — (approximately) $540 per ton sugar.

Based on revenue inflows into the Sugar Industry Authority up to the present time it is now possible to make a fourth payment of one hundred and thirty dollars ($130) per ton sugar to the industry, thus bringing the total payment to the industry for the 1984/85 crop to $1,530 per ton sugar. The total price of $1,530 per ton sugar for the 1984/85 sugar crop compares favourably with the payment of $1,258 per ton sugar made to the industry for the 1983/84 crop.

Total sugar production of 206,775 tons for the 1984/85 crop was also the best performance by the industry in the last five years. It is significant also to note that the tons cane per ton sugar ratio of 10.8 achieved for the 1984/85 crop was the best performance by the industry since 1976.

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CSO: 3298/252

JAMAICA

BRIEFS

TRADE DEFICIT--Kingston, Dec 30--Jamaica's trade deficit widened by almost 48 percent to reach 436.5 million dollars (U.S.) during the first nine months of this year compared with the same period in 1984, Central Bank figures show. The worsening trade balance was caused by a 20 percent decline in the value of exports during the review period to 456 million dollars (U.S.). The trade deficit was 295 million dollars for January-September 1984. The fall in exports negated a 0.9 percent or 7.7 million dollar reduction in imports, which between January and September amounted to 892.5 million dollars. But despite the deterioration in the balance of trade that helped to widen the current account deficit by 100 million dollars to 308.8 million dollars at the end of September, the accounts were showing an overall balance of payments surplus of 107.2 million dollars. This improvement in reserves was achieved mainly by a reduction in the arrears of the Bank of Jamaica, the bank's overview of the Jamaican economy said. [Excerpt] [Bridgetown CANA in English 1929 GMT 30 Dec 85 FL] /7358

CANADIAN FERTILIZER--Canadian High Commissioner Robert G. Woolham and Prime Minister Edward Seaga have signed an agreement that will provide Jamaica with $10.9 million worth of fertilizer, Canada's International Development Agency will provide a grant to finance the purchase of the Canadian fertilizer. [Text] [Bonaire Trans World Radio in English 1130 GMT 16 Dec 85 FL] /7358

CSO: 3298/252

BRIEFS

ARID LANDS AGREEMENT WITH ARGENTINA--Mexico and Argentina signed a technical and scientific agreement yesterday for the development of joint programs to develop agriculture in arid lands. The agreement was signed by Eduardo Pesqueira Olea, Mexico's agriculture and water resources secretary, and Lucio G. Reca, his South American counterpart. Pesqueira Olea reported that the agreement involves the use of water resources, forestry, the production and processing of cattle products, as well as a technical and scientific exchange in the areas of fruit growing, forage, germ plasm, agrotechnology, biotechnology, and improved seeds. [Excerpt] [Mexico City EL NACIONAL in Spanish 10 Dec 85 p 4 PA] /6091

CSO: 3248/140

NEW LAW LIMITS GOVERNMENT BORROWING FROM CENTRAL BANK

FL030044 Bridgetown CANA in English 2355 GMT 2 Jan 86

[Text] Willemstad, Curacao, Jan 2 (CANA)--The parliament of the Netherlands Antilles has unanimously approved a law giving greater autonomy to the Central Bank and limiting government borrowing from it.

The new law aims at bolstering confidence in the monetary policies of this self-governing federation of Dutch Caribbean islands in view of its severe economic crisis.

The law, approved on December 31, gives the Central Bank complete autonomy from the government in hiring and firing staff.

The new legislation also gives the Central Bank complete freedom to conduct monetary policy, subject only to a veto by parliament.

Finally, it limits government borrowing from the Central Bank in any one year to 10 percent of its revenues in the previous year.

Central government revenue was 342.5 million Antillean guilders (192 million U.S. dollars) last year, meaning that the government will only be able to borrow 34.25 million (19.2 million dollars) from the Central Bank in 1986. Its outstanding debt to the institution currently stands at 180 million guilders (100 million dollars).

The Antillean guilder is pegged at a fixed rate of 1.78 per year following the closure of Aruba's oil refinery, the near closure of Curacao's, and a reform in U.S. tax law which ended the sale of U.S. bonds to overseas investors through a tax loophole in the Netherlands Antilles.

Aruba's decision to establish its own currency after pulling out of the Netherlands Antilles on January 1 also created fears that an Aruban devaluation would lead the five islands remaining in the federation to follow suit.

The Aruban guilder, which began circulating today, is fixed on a part with its Antillean counterpart.

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CSO: 3200/9

PPSC LEADER ON NATIONAL ASSEMBLY, CHURCH-STATE RELATIONS

Managua BARRICADA INTERNACIONAL in English 12 Dec 85 p 6

[Text] **Luis Humberto Guzmán, 31, is the head of the Popular Social Christian Party (PPSC) delegation in the National Assembly and one of the two PPSC representatives on the special commission charged with drafting the nation's Political Constitution. "The National Assembly's first term has been something of a disappointment; we didn't pass a single important law," he told Barricada Internacional in a recent interview. He also addressed his party's platform, and expressed his opinion concerning church-state relations and the government's foreign policy.**

The following are excerpts from that interview:

An ideological redefinition is currently being debated within your party. Does this mean a change in the party platform since the elections?

Yes, we intend to make substantial reforms in our ideological position and to revive traditional Christian Democratic principles. We used to say, for example, that the state should be a neutral apparatus that doesn't use force or promote the particular interests of any class or sector of society. This is no longer true. The state must guarantee, at least, the well-being of the most popular sectors: the working people. In this sense, we are adopting socialist demands concerning the people's standard of living. But, we want to see a prototype of democratic socialism, purged of Leninism, or so-called "democratic centralism," which we consider nothing more than a euphemism for what are actually totalitarian states.

In general, we aim to construct a broad political theoretical scaffolding with precise definitions concerning the state, the party, the economy, foreign affairs, etc. But we are only at a preliminary stage in this internal debate.

Your conception of a state which favors the working class is not very different from the FSLN's position. Do you think that party leans more toward a model of "democratic centralism?"

The Sandinista government is not totalitarian, if that's what you're asking. No one can say that Nicaragua is like an Eastern European country. In Moscow or Belgrade, Cardinal Miguel Obando y Bravo would never be allowed to make the kinds of criticisms he makes here. There is a trend toward limiting democratic space, for whatever reasons, and the expansion of the state of emergency is a worrisome symptom.

Your party opposed the National Assembly's ratification of the state of emergency decree, arguing that it was unjustified. In your opinion, what conditions would justify a national state of emergency?

Above all, I recognize a sovereign government's right and obligation to defend itself and to take measures that will enable it to effectively act to overcome serious problems.

But the situation would have to be very exceptional: natural disasters, an imminent invasion by foreign forces, for example. Or in our case, if the contras actually occupied a city.

Less than two weeks after the Nicaraguan government decreed the emergency measures, Raul Alfonsín decreed a state of siege due to the escalation of terrorist actions in Argentina. Alfonsín's measures restricted, among other constitutional rights, freedom of assembly and expression. Under these conditions parliamentary elections were held in Argentina at the beginning of November. What is your opinion on this?

Alfonsín must have had good reasons for declaring the state of siege. I do not venture to speculate about the internal affairs of another country.

How would you evaluate the National Assembly's first legislative period?

There is an institutional crisis in this country which is reflected in the scant powers given to the National Assembly. But it's also true that presidential regimes have always been the norm in Nicaragua; we have never had a strong parliament. Nevertheless, as legislators, we ourselves, have restricted our capacity to influence the definition of government measures and policies. The commission for domestic defense and security, for example, did not even meet once during this legislative period. This is paradoxical considering that our country is at war. We will need to be more active in the coming year.

In general, what influence do the political parties have in governing the nation?

We actually have very little influence through institutional channels, that is, the parliament. But we accomplish some things through our grassroots activities, as well as our public statements within the country and abroad, which generate opinion trends that the ruling party cannot easily ignore. There are also other forms of pressure.

Such as?

Well, for example, the left-wing parties mobilized their trade unionists to demonstrate in front of the National Assembly while we were discussing the "thirteenth month's" salary, or Christmas bonus. As a result, the Sandinistas upped their original proposal a little.

The PPSC finished fourth in the past elections. What plans do you have to expand your base of support?

Looking toward the 1987 municipal elections, we have gradually been increasing our activities – limited mainly due to lack of financial resources – in the departments and rural areas. We want to expand our base among working people. To this end, we are finishing the draft of a new labor code, which we will submit for consideration to the independent labor unions in order to generate a full debate on the subject.

The labor code now in effect dates back to 1945, and has been only slightly revised in the past five years. Among the most novel ideas our proposal includes are: to guarantee the employee one month's advance notice for every year worked in the company or business in the case of dismissal (at present the code stipulates one month's advance notice regardless of the time worked); to institute a type of patent for innovators (those workers who adapt or manufacture new mechanical parts or make other valuable innovations); and a specialized legal code for settling labor disputes which must currently be resolved in a long, trying procedure under the ordinary civil code.

Regarding your previous reference to Cardinal Obando's criticisms of the government, what do you think about the disagreements between the Catholic hierarchy and the state?

It's an extension of a political struggle, which undoubtedly originated in the Sandinistas' eagerness to create a "church in its pocket" which would give them unconditional support. They naturally ran up against the institution's rejection; the church was not inclined to give up any of its power or independence. This resulted in a rift, which some priests with very clear political positions were careful to maintain.

The government exacerbated this separation by trying to create religious leaders who could offer an alternative to the Catholic hierarchy. The situation worsened because the government insisted on a policy of force, as evidenced by the deportation of 10 foreign priests last year.

It was proven however that they were guilty of crimes against order and public security. The government maintains that it responded to concrete political actions which had nothing to do with their religious station. What do you think, for example, about the fact that military service evaders take shelter in seminaries, or that Obando held his first mass after being designated Cardinal in Miami for the counterrevolutionary community, or that the archbishop's office published political literature without legally registering it? Aren't these provocations?

The list of new "seminarians" from evangelical churches is much longer than that of the Catholic Church. I do think it is a serious mistake that the Catholic Church has never condemned the foreign aggression, but it is no sin that the Cardinal celebrated his first mass in Miami. There was nothing provocative in his speech; he only called for dialogue and reconciliation and I don't believe he made the plea in bad faith. Obando is a Salesian, and this order has always favored reconciliation.

Do you believe that the Catholic Church is persecuted here?

I don't want to make the hierarchy appear completely innocent, but the government cannot afford the luxury of falling into every trap. I have already said that this is a political confrontation which should be fought on political terms, not by force. The church is a formidable rival.

What does your party think about dialogue with the counterrevolution?

It would be useless. The FDN has no political line; it's simply a force motivated by the desire for revenge. We agree that the government should insist on dialogue with the Reagan administration, because the end of this war depends on the will of the U.S. government. This we understand. Thus, we categorically endorse the government's reservation in signing the Contadora Agreement, unless it also calls for a commitment on the part of the United States. We must prohibit the construction of foreign bases and military maneuvers in the region, or there will be no peace in Central America.

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CSO: 3200/11

ATLANTIC COAST AFRICAN PALM PRODUCTION DESCRIBED

Financial, Work Force Difficulties

Managua BARRICADA INTERNACIONAL in English 14 Nov 85 pp 6-7

[Text]

Reclaiming acre after acre of productive land from the jungle where, a few decades ago, the Blue Co. grew bananas, today one of the Revolution's most ambitious projects is underway: the cultivation of African palms for the production of cooking oil.

In 1983, work began in Kukra Hill, an area 300 km east of Managua in the southern Atlantic Coast region, clearing the land, building facilities and setting up the first nursery, with the goal of eventually sowing up to 8,600 acres with the oil-producing palm.

The project's main objective is to substitute imports with locally-produced oil. According to official estimates, next year, Managua's 3 million inhabitants will consume 32,000 metric tons of cooking oil. Of this total, 44 percent will come from cottonseed, a local product. The remainder is processed from imports: 17,000 tons of unrefined cooking oil, and 35,000 tons of soybeans. These imports will cost the country US$27 million, equal to nearly 10 percent of the total annual exports.

Commercial production of the oil will begin in 1987, four years after the project's initiation. This is determined by the palm's development cycle; although some of the first plants have already produced fruit this year, a plantation begins to be economically efficient after four years. Peak yields last for 25 years, then decline progressively.

Carved out of the lush, tropical vegetation, the hardest tasks of the project have been clearing and preparing, sowing and the upkeep of the 2,500 acres currently under cultivation.

The larger trees are cut down with a chain saw, while bushes and undergrowth are cleared with a machete. Usable wood goes for cooking fires in the camp's kitchen the rest is burnt on the spot. Once the land is cleared, the palms are planted nine meters apart to allow optimal development.

The seedlings are brought from Costa Rica and Colombia and grown in the nursery for nine months until reaching a height of nearly two meters. The palms are then transplanted to the fields.

Once planted, the work involves protecting the palms from ants and other plagues, fertilizing at the beginning and end of the rainy season, and weeding out the fast-growing undergrowth every 45 days.

Meanwhile, tasks in the nursery continue as does the clearing of the land and the sowing of new seedlings to achieve the goal of 8,600 acres under cultivation by 1989. Along with the 6,200 acres planted in El Castillo – in the southern department of Río San Juan – 22,800 tons of cooking oil will be produced from African palm, equivalent to 70 percent of the current national demand. Considering the oil produced from cottonseed, Nicaragua will then have achieved self-sufficiency in this area.

DIFFICULTIES

The main problem workers confront is the geographic isolation. To get to Kukra Hill from Managua is a full day's journey: 250 km by road to the river port of Rama, and from there 50 km by boat on the Escondido River and its tributaries. Because there is no regular river transport between these two points, one must hire a boat, which raises the cost substantially for passengers and cargo. This also complicates the regular shipment of equipment, tools, construction materials and food.

The situation becomes more serious when one considers that the greater part of the project's personnel are from the Pacific zone – members of the Atlantic Coast's ethnic groups being unaccustomed to this type of salaried work. In addition, the bulk of the nation's productive and import activity is concentrated in the western region, and the access route to the project is continually vulnerable to counterrevolutionary attacks.

The lack of financial independence in this first stage of the project in which no income is earned through sales, causes other problems. A good part of the mechanical equipment stands idle due to a lack of spare parts; agrochemicals often don't arrive on time; food and medical supplies are limited, and payment for the workers often arrives late.

Feelings of futility and restlessness, often resulting in job resignation, affect the workers during this pre-productive stage of the project. The problem is especially acute during the sugar harvest when the neighboring sugar mill competes for the available manpower in the zone, offering double the wages earned at the palm plantation..

Thus, some plants have been lost and the survival of many more is threatened by weeds or ants. Some 200 workers are needed to adequately attend to the plantation's maintenance this year, but funds are lacking to offer the higher salaries to attract them.

Even with the Inclusion of a salary bonus for the isolated location, and production incentives, the salaries do not compensate for the difficult living and working conditions in the project. Any Managua refreshment vendor has a higher income, is self-employed and does not have to run the risk of snake bites or mercenary attacks.

The situation is quite different in the plantations operating since 1984 in which campesinos are organized in cooperatives *(see separate article)*.

ADVANCES

The instability observed among field laborers does not occur among the technicians or administrators in charge of the project. The very difficulties they confront have created a sense of purpose among the team, which is strengthened by every hard-earned improvement in the material conditions and grows as the actual production of oil draws closer.

One of the more interesting initiatives of the group of agronomists has been the planting of a vine called kudzu on the plantation. This species hinders the growth of weeds, reduces the incidence of some pests and, as it is a legume, provides nitrogen enrichment to the soil. It is expected that this measure will reduce the manpower needed for the plantation's maintenance.

At the same time, the workers' social needs are being addressed. A dining room was built and the camp's kitchen facilities have been improved and expanded. The wood shingle and palm leaf roofs of the dormitories are being replaced with zinc and fibrocement sheets.

These large sheds, which previously were simply divided into men's and women's areas, now have individual or family rooms to allow more privacy.

Recently, the project's commissary was inaugurated. It sells goods at wholesale prices to the workers, with the company assuming the transportation and administration costs. It will provide products generally unavailable in the area, such as powdered milk, toilet paper, toothpaste, deodorant, sanitary napkins, clothing and shoes for children and adults, dishes, batteries and soap. Soon it will also begin to sell beans, rice, corn, salt, oil and sugar.

The dam which is being built on a nearby stream will allow drinking water to be pumped to the camp, eliminating the need to haul it from half a kilometer away. The energy supply is provided by an electric generator which operates until ten at night.

Until this hour the families often sit in the dining hall which has been turned into a T.V. room to watch the programs broadcast from Costa Rica. Then, still starry-eyed from the colorful consumer fantasy world, the workers go to bed, awakening to their daily reality of machetes, sweat and the hard work that makes the Revolution.

However, what today means hard work and sacrifice, will be a flourishing, productive enterprise and an important milestone on Nicaragua's road to material self-sufficiency and economic independence.

Cooperative Project Successful

Managua BARRICADA INTERNACIONAL in English 14 Nov 85 p 7

[Text]

In a daring decision, not without its risks, the government-run African palm project was brought under the agrarian reform program early last year. The first 1,112 acres already sown were handed over to 75 campesino families as cooperatively-owned property.

Because the palm was a new crop in the country, the cooperatives would have to depend on centralized technical assistance for quite some time. Furthermore, it would be three years before the plantation became commercially productive and financially self-sufficient. Until then, a division of the Agricultural Development Ministry would be responsible for the economic management of the enterprise.

In the meantime, for the sake of technical training, land ownership, and the promise of better returns in the future, the campesino population agreed to become paid workers.

The decision also implied that these campesinos would undergo changes in their traditional work habits and routines of community living. Although they had been organized in cooperatives since 1982, these served only for the joint procurement of credit and seed. Each person independently rented a plot of land, sowed, harvested and marketed surplus production that exceeded family needs. Basic agricultural production had not varied for generations: beans, corn, and on a smaller scale, pork and poultry raising.

The resulting dispersion of cultivated areas in a zone already remote from population centers, reinforced the feelings of material, cultural and emotional self-sufficiency of each family unit. Sporadic cooperative meetings, and incidental trips to the nearest store or health post were essentially the only activities bringing people together.

The campesinos would have to greatly modify their former lifestyles to work on the cultivation of the oil-producing palms. Their large-scale production calls for team efforts, thus the property and work are organized collectively. In addition, it is technically and economically more feasible to offer essential social services to a concentrated group in a small area. Families thus live in a unified community, whose organization will also facilitate the creation of an effective system of military defense to prevent incursions by counterrevolutionary bands, against which isolated campesinos have no protection.

After weighing the pros and cons, 75 families accepted this challenge and, in June 1984, moved into a community neighboring the plantation. Organized in three cooperatives, they began cultivating African palm.

SUCCESS

Almost a year and a half after its initiation, the project has proved successful. The palms are flourishing and some have already begun to bear their first fruits which, although lacking commercial value, represent a triumph and a promise of the community's future production capacity.

The loss of plants due to diseases or mishandling has been minimal and is declining as the workers become familiar with the special cultivation needs.

Community life has ceased to be problematic, as it was in the early days; instead, it is characterized by an easy-going coexistence among neighbors. Community members depend on one another for production and defense, women have joined in the productive work and the children play and study together.

Each family lives in its own wooden house and improvements are being made little by little by adding partitions, fibrocement roofing sheets and latrines. The nearby stream serves as a source of drinking and washing water.

The family income consists of proportional cash salaries paid to each person who works on the plantation, and food supplies allocated by the Social Welfare Ministry for the resettlement of displaced persons in the war zones.

Due to increasing needs and the unreliability of other supply channels, each cooperative has been given a 100-acre plot to sow basic grains and root crops for their own consumption.

The most serious limitations now facing the community are difficulties in acquiring spare parts for their sole tractor, the shortage of transport vehicles, and the lack of a health center.

Despite these disadvantages, the distribution of the land to the campesino cooperatives has achieved three advancements not observed in strictly salaried work: sustained and adequate crop maintenance, a stable workforce and the integration of the indigenous and Mestizo population of the zone into the oil production project.

According to Hipólito Guido Ybarra, president of one of the cooperatives, "the Revolution needs this (oil) production, and as poor campesinos, we would never have had the opportunity to participate in such a project in any other way. Both of these things motivate us to keep on working until the extraction of palm oil becomes a reality for our country and for our cooperatives."

/13046
CSO: 3200/11

PANAMA

PRD LETTER TO PRESIDENT INCLUDES VIEWS ON FOREIGN DEBT

PA272232 Panama City CRITICA in Spanish 27 Dec 85 pp 30, 32

[Letter sent to President Eric Arturo Delvalle by the National Executive Committee of the Democratic Revolutionary Party--dated 26 December 1985]

[Text] Dear Mr President:

After broad discussions and a review of the feelings of its thousands of members, with all respect, the National Executive Committee [CEN] of the Democratic Revolutionary Party [PRD] wishes to express to the president of the republic our party's position concerning our country's political, economic, and social situation. In the same manner, and firmly determined to contribute to the solution of our homeland's main problems, we present specific proposals to confront them.

Our position is based on the PRD program and on the agreements reached by the Political Commission on 10 April, by the National Directorate on 3 May, on the communique expressing support for the national dialogue dated 15 July, on the central proposal to the country of 31 July, and the proposal made by the Political Commission on 4 September, all of which were issued this year.

Mr President, the following is the PRD's Torrijist line for this new phase and the tasks stemming from it:

Role of UNADE's [National Democratic Union]

1. The country is facing one of the most complex and delicate periods in its history. Therefore, it is the duty of the parties in our government's alliance to analyze with seriousness and maturity the overall situation in order to make broad, strong, and well-founded decisions, and to act with unity, firmness, and discipline in the right direction, according to the general interests of the Panamanian society at this stage.

Development and Democracy

2. Economic development and democracy are not two separate entities. A great process of thorough democratization is spreading in Latin America. This process is not limited to the realization of periodic and honest

elections to elect governments. In addition, it particularly entails a significant effort by the masses to democratize the economic, political, social, and cultural structures. This also means an important reaffirmation of each country's independence and national sovereignty, and of Latin American solidarity.

The Panamanian Revolution

3. The Panamanian revolutionary process, under the guidance of General Omar Torrijos Herrera, was precisely one of the first demonstrations of that patriotic and democratizing current. Hence, it was based on the consultation and participation of all the social and geographical sectors in the country, in order to mobilize them by consensus in a great national project. Thus, it became deeply rooted as a decolonizing, participative, reforming, and developing project that emerged from within the nation itself, without impositions or foreign tutelage. However, in all of Latin America, this democratizing transformation is gravely threatened by the current consequences of the international economic crisis. Its effects are the cause of growing social discontent and nonconformity, lead to instability and even political violence, and eventually tend to generalize situations of institutional chaos. In other words, Mr President, it is not possible to consolidate a democratic regime without making economic adjustments in favor of the great majorities in order to continue toward complete development.

The PRD is aware of this reality, and thus its program clearly outlines the kind of country we must develop.

The Economic Crisis

4. The economic crisis affecting Latin America and Panama, in particular, began a long time ago. It is the result of unjust conditions of economic exchange between the poor countries and the industrialized nations, imposed by the latter. As time goes by, we pay more for our imports, and we are paid less for what we export. And, as if this were not enough, our exports are frequently subject to protectionistic barriers, and at the same time we are asked to liberalize our economies by opening them to the international market, which is controlled by the industrialized countries. All of these factors have deprived our countries of resources which would augment their development.

Reasons for Indebtedness

5. This unequal exchange of prices caused our countries to fall into an exaggerated indebtedness with the wealthiest countries' financial system. Just as the other Latin American countries, Panama had to incur debts in order to finance its development. Nevertheless, like our sister nations, Panama acquired a large debt because a few years ago, those foreign banks urgently needed to find some place where they could place the large sums of money they had accumulated following the international oil crisis.

In order to solve their problem, they encouraged our indebtedness. Consequently, Mr President, the PRD feels that the responsibility should be equally shared by both the creditors and the debtors. Therefore, the costs should not only be paid by us; they should be shared, and since the rich nations have more resources than we have, they should pay the greater part.

Change of Policies or Chaos

6. The policy by which poor countries must subsidize the rich countries must end. If this policy continues, chaos is inevitable. Latin America is a net exporter of foreign exchange. Only in the past 3 years, it has paid approximately $60 billion to the economies of the industrialized countries. The increase in actual interest rates and the subsequent overvaluation of the dollar make the situation in our countries even more difficult.

Economic Adjustments

7. But there is more, and this is of direct interest for our party's stance and, we are sure, for you as president of all Panamanians. This international financial system now demands from our countries specific conditions for additional financing with which our countries can service our previous debts with this system. These terms include the readjustment of our economies according to criteria and rules determined by this very same creditor. Such rules demand that we liberalize and remove the protections from our economies to benefit an unequal international competition without the corresponding measure of an opening of their markets to our exports at fair prices. The results of this policy in other countries have already been observed. Mr President, the serious thing about this is that, if we leave in foreign hands the power to determine Panamanian structures and policies, we will be relinquishing, not only a substantial part of our sovereignty, but even our existence as an independent republic. The PRD's stance regarding this situation has always been very clear: We will not permit such a thing "because we are not, nor shall we ever be, an associate state, colony, or protectorate; neither do we want to become another star in the flag of any nation but our own."

A Political Problem

8. Viewing the overall implications of the problem and the threatening economic, social, and political consequences it entails for the country, it becomes clear that this is not a matter restricted to technical or financial considerations that should be addressed only by a limited circle of specialists. It is a serious political problem that concerns all the people, all of the country's responsible sectors.

Toward a Panamanian Counterproposal

9. The PRD believes that the Panamanian people have already established their position with respect to this problem. Only the Panamanian people can decide their future, and it is up to the Panamanian people to set forth their own solution.

Therefore, our party, faithful interpreter of the national interests and aware of the responsibility it has as the government alliance's majority party, proposes and will strongly support the following actions:

National and Latin American Consensus

A) The advancement and fulfillment of the national strategy contained in our party platform program, which clearly defines the economic policies that must be implemented at this time.

B) The overall and long-term renegotiation of the date of maturity of the foreign debt in such a way that a popular and patriotic scheme of socio-economic development will benefit from it.

C) The active participation of the Latin American countries in seeking a common solution to the foreign debt problem.

Protection of National Industry

D) To protect and defend national industry by not supporting any measure that will harm it. The PRD will examine on an emergency basis the industry bill that the industrial sector has already analyzed in the understanding that said bill establishes adequate protection for the national industry.

Support for the Agricultural-Livestock Sector

E) To protect and defend agricultural and livestock producers. Within several days we will send to this sector our bill for agricultural and livestock incentives outlining actions for the reactivation of this sector.

The PRD Does Not Support the Labor Code Reforms

F) To protect and defend workers. The PRD will not promote reforms to the Labor Code because our analyses show that the real causes for economic stagnation are not related to this code, except those sections of the code that deal with the agriculture and livestock sectors and the small industries.

The PRD will endorse Labor Code reforms only if the workers believe the code should be reformed. Our party agrees with updating the working relations in the agriculture and livestock sectors.

The Role of the Canal

G) To promote an integral approach in the utilization of the canal area lands and property returned to Panama and of the revenue received by and payments made to Panama as a result of the Torrijos-Carter treaties.

H) To replace state borrowing by a more efficient use of state resources through concessions, mixed-capital enterprises, and an expanded role for the private sector.

I) To protect the nation's water resources, particularly the Panama Canal basin.

Other Measures

J) To keep up and improve the quality of basic services, health services, education, and housing.

K) To improve the efficiency of the government and the country as a whole and to seek ways to generate employment.

L) As per instructions issued to the party's teams of experts, to draft the law on standardization of salaries, the law on the sale of housing in reverted areas, and the law providing for the use of reverted areas to build housing of social interest. In this regard, the Economic Commission will make studies and recommend measures to improve the financial system and the securities market.

M) To improve all of the country's service activities (the Colon Free Zone, Port Center, tourism, and the financial center).

N) To implement programs to promote small enterprises and to seek mechanisms to help them export more.

Administrative Measures

O) Our party suggests that the executive branch take the following steps at an administrative level:

--To move on with the negotiations to include Panama in the Baker Plan under the conditions set forth herein.

--To negotiate the expansion of culebra cut.

--To establish mixed-capital enterprises.

--To step up studies on the alternatives to modernize the Panama Canal.

--To improve the efficiency of the tax collection system and to make it more just.

--To draft a program for construction of government buildings financed by the private sector on the basis of 15-year rental contracts.

--To regulate the purchasing system of the Agricultural and Livestock Marketing Institute and its powers to operate as a direct importer.

--To review the problem of the Panama Refinery.

--To speed up the process of production of alcohol and alcohol derivatives in order to provide added support to the La Victoria Sugar Corporation.

--To determine the costs of the Integrated Health Service.

--To draw up a master plan for development of the agricultural settlements.

--To strengthen the policy of energy self-sufficiency.

--To promote the consumption of national products through campaigns to create awareness.

Finally, Mr President, our party has made these suggestions with the intention and determination to strengthen the country's democratic process, to support your government, and to mobilize our nation on the basis of clear and patriotic objectives.

/6091
CSO: 3248/141

GOVERNMENT SEEKS OPENINGS OUTSIDE SOUTHERN CONE

PY022252 Madrid EFE in Spanish 0906 GMT 27 Dec 85

[By Francisco Figueroa]

[Text] Asuncion, 27, December (EFE)--The government of General Alfredo Stroessner wants to promote its foreign policy in Latin American countries outside the southern cone.

Paraguayan Foreign Minister Carlos Augusto Saldivar on 26 December reported that this project, which the Foreign Ministry launched late in 1985, will be developed over the next few years.

Traditionally oriented toward Brazil and Argentina, "the Paraguayan diplomacy will in the next few years direct its efforts at promoting relations with the northern countries of South America, with Mexcio, and with Caribbean countries," the minister said.

Minister Saldivar's plan has been regarded as an initial attempt to change the "deteriorated international image" and the image of "isolation" that experts associate with Paraguay.

Asuncion has concentrated its diplomatic efforts on Argentina and Brazil. These two nations along with the United States have historically had a major influence on Paraguay.

During the last decade, relations with Brazil and Argentina have focused on the development of huge bilateral hydroelectric projects, especially after 1977, when the three governments signed an agreement settling their differences on the use of borderline rivers.

This tripartite agreement, which smoothed things over particularly between the Buenos Aires and Brasilia Foreign Ministries, made it possible for Paraguay to build--with Brazil--the world's largest hydroelectric power plant at Itaipu, and to begin building--with Argentina--the Yacyreta hydroelectric power plant.

Itaipu continues to be the main challenge for Paraguayan diplomacy, in the wake of the proposed renegotiations to increase the price of the portion of energy, 50 percent of the plant's output, that belongs to Paraguay, but that will be largely used by Brazil.

A decisive factor for the Paraguayan foreign policy is the fact that Argentina and Brazil are Paraguay's main commercial partners, accounting for 50 percent of its imports and 30 percent of its exports, according to official data.

Obviously, these data do not include the goods smuggled across Paraguay's long borders, which according to business sectors account for more than 60 percent of the country's overall foreign trade.

In addition to this policy, marked by the need to be on good terms with its neighbors and governed by huge commercial interests, the Stroessner administration maintains very good relations with Chile, the ROK, Taiwan, and South Africa. The common denominator in this relationship is a "radical anticommunist" position.

According to an analysis in SENDERO, a newspaper published by the Paraguayan Episcopal Conference, the relations with the regimes of those four countries are commercially insignificant and provide little political advantage because of their "low international prestige."

In this regard, the monthly newspaper NUESTRO TIEMPO, directed by Catholic Bishop Mario Melanio Medina, compared a publicized donation of 1,000 pairs of ROK-made military boots with the Paraguayan absence from a meeting that Argentina, Brazil, and Uruguay, "the new democracies," held in Montevideo in June.

The Paraguayan absence prompted the two liberal parties that are taking part in the so-called "Stroessner process" to sponsor one of the few questionings of the executive branch in congress.

Foreign diplomats have said that in 1985, the most relevant visit by a leader of a friendly country was that of Taiwanese Vice President Lee-teng Hui, in addition to visits by a Taipei municipal delegation and an ROK congressional delegation.

General Stroessner made two trips to Brazil to attend Jose Sarney's inauguration and the funeral of president-elect Tancredo Neves. Storessner and Sarney also dedicated one of Itaipu's turbines.

In June, Stroessner had to postpone indefinitely an official visit to Bonn, which was to be the main Paraguayan foreign policy achievement in many years, apparently because of the hostility the proposed visit created in the FRG and in Europe.

Former Ambassador Antonio Salum Flecha, a ruling Colorado Party dissident and also a university teacher, has said that because of its official anticommunist stand, Paraguay cannot maintain commercial relations with Eastern Europe, despite the need for new markets for its farming.

Quoting Chilean political observer Heraldo Munoz, SENDERO said that Paraguay is "politically isolated" because of "the government's inability to establish and maintain positive and active external contacts."

Jose Felix Fernandez Estigarribia, a lawyer and expert on international law has said that Paraguay's "image of authoritarianism" has frustrated the attempts to place a former foreign minister in a seat at the International Court of Justice at The Hague, and another one at the head of the OAS General Secretariat.

/12232
CSO: 3348/334

LABOR LEADER CRITICIZES UNION-FREEDOM LAW

PY242223 Asuncion LA TARDE in Spanish 23 Dec 85 p 23

[Text] Referring to the law guaranteeing job stability for union leaders, Gabriel Ojeda, leader of the National Construction Workers Federation [Sinatract], has stated: "We are not protected by this law."

Ojeda, who now heads Sinatrac because the secretary general has taken leave for health reasons, said that because this union is not recognized by the authorities the law does not protect them at all.

Ojeda explained that "the law states that leaders elected by the workers will enjoy the protection of that law but the law will apply only to those leaders recognized by the labor authorities, which radically changes the initial statement."

Ojeda added that if only the first position were maintained it would be very positive. What is valid is the workers' recognition and not that of the authorities through bureaucratic procedures."

Ojeda said: "This law will not be fulfilled, just as many other stipulations of the labor code have not been fulfilled, such as 8-hour work days, Christmas bonuses, a minumum wage sufficient to cover the workers' basic needs. None of these things will be fulfilled until the workers movement is strengthened."

Asked whether the workers need a law with those characteristics he said, yes, "provided they are valid for everyone because some of our fellow workers such as Juan Carlos Paez were dismissed. The law does not protect us, although we have the support of hundreds of workers."

Ojeda concluded by denouncing the systematic attack on trade union organizations, for example the current case of the metal workers who could not hold their meeting because of an "order from above." He added: "We are facing a contradiction, because if we ask permission to hold a meeting, it is denied, and if we hold it without permission they come and suspend it. It is obvious that in our country there is no union freedom."

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CSO: 3348/334

EFFECTS OF FOREIGN DEBT SERVICE EVALUATED

PY052346 Asuncion ULTIMA HORA in Spanish 4 Jan 86 p 9

[Text] The servicing of the public foreign debt of the central governemnt will increase from 12,153,800,000 guaranies in 1985 to 15,216,700,000 guaranies in 1986 according to the new budget.

The increase of 3,062,900,000 guaranies for interest and amortization of the debt represents an increase of 25.2 percent in relative terms.

The budget for servicing the public foreign debt is linked directly to the exchange rate which was increased from 126 guaranies per dollar in the 1984 fiscal year to 160 guaranies per dollar in the 1985 budget. This exchange rate is being maintained for the 1986 budget.

The exchange rate adjustment applied to the 1985 fiscal budget represented an increase of 55.9 percent for the servicing of the central government debt, from 7,795,100,000 guaranies in 1984 to 12,153,800,000 guaranies in 1985. The budget for the debt interest increased from 4,114,600,000 guaranies to 6,035,600,000 guaranies, and the budget for amortization of capital increased from 3,680,500,000 to 6,118,200,000 guaranies.

In reality the debt commitments in foreign currency only increased 22.77 percent, from $61.86 million in 1984 to $75.95 million in 1985. Had the exchange rate been maintained at 126 guaranies per dollar, the budget for servicing the debt would have increased from 7,795,100,000 guaranies to only 9,571,100,000 guaranies, that is an increase of only 1.776 billion guaranies or 2,582,700,000 guaranies less than the real increase.

For the 1986 fiscal budget a political decision was made not to change the 160 guaranies per dollar exchange rate for the payment of the public foreign debt.

The growth rate for servicing the foreign debt in dollars increased from 22.77 percent in 1985 to 25.2 percent in the 1986 budget when the absolute figure of $75.95 million increased to $95.09 million but the increase in guaranies was from 55.9 percent to 25.2 percent [as published].

In fact the budget for servicing the foreign debt was increased by 3,062,900,000 guaranies for the 1986 budget which is higher than the 4,358,700,000 guaranies increase approved for 1985 of which 2,582,700,000 correspond exclusively to the exchange rate difference.

If the impact of the exchange rate adjustments in the public budget is analyzed, the Finance Ministry's reluctance to admit such variations is understandable.

If the servicing of the central government's foreign debt is maintained at $95 million for the 1986 fiscal year, the exchange rate adjustment from 160 to 240 guaranies per dollar would increase the budget of interests and amortizations from 15,216,700,000 to 22.825 billion guaranies.

In this case the budget for servicing the debt would increase 87.8 percent, from 12,153,800,000 guaranies in 1985 to 22.825 billion guaranies in 1986. This represents 10,671,200,000 guaranies more.

If the exchange rate were increased to 400 guaranies per dollar, an increase requested by the World Bank, the budget for servicing the foreign debt would increase to 38,041,700,000 guaranies in 1986 as compared to 12,153,800,000 guaranies in 1985. This would be an increase of 25,887,900,000 guaranies in absolute figures or 213 percent.

Such an impact would only be partial considering that this estimate only affects the budget for servicing the central government debt. To this debt we should add the obligations of the public foreign debt of decentralized entities which is about $60 million.

In addition, if an exchange rate adjustment occurred the imports of the public sector would be affected, because the regular resources would not be enough to finance the imports.

The 25 percent increase for servicing the central government debt, without changing the exchange rate, is already considerable in budget terms.

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CSO: 3348/334

PUM'S DIEZ CANSECO: 'WE WILL RESPOND WITH VIOLENCE'

Lima EL DIARIO DE MARKA in Spanish 24 Nov 85 pp 12-13

[Interview with Senator Javier Diez Canseco, secretary general of the PUM, by Juan Cristobal; date, time and place not given]

[Text] [Question] What is the current situation of the Senate Human Rights Committee (CDH), to which you belong, since the resignation of its chairman, Javier Valle Riestra, under pressure from his own party, the American Popular Revolutionary Alliance (APRA)?

[Answer] Since before his resignation, the CDH was at a standstill; it had decided to end the investigative phase, deliver its report and submit it to debate in the House.

[Question] Which did not happen.

[Answer] Precisely. It has a tendency to be postponed, especially with Valle Riestra's trip to the United States.

[Question] And when will it be debated?

[Answer] I think by early December. We won't allow any more stalling.

[Question] What if that doesn't happen?

[Answer] We will see. We are evaluating that possibility so that we can take the necessary steps.

[Question] In terms of political intuition, why has this situation come about? Who do you suspect is behind all this?

[Answer] The National Security school of thought and its anti-subversion strategy, which has been applied since the previous regime.

[Question] How would you define that doctrine, in a few words?

[Answer] The Committee defined it very well: "It is a series of illegal, illegitimate actions, including the destruction of certain areas, disappearances, arrests, torture . . .

[Question] What can be done about this doctrine, then?

[Answer] Defeat it with the mobilization of Peace with Social Justice, "Not one death more." That is the only way to put an end to the militarization of the country and the strategy of violation. Either we reconcile ourselves to National Security or we combat National Security.

[Question] Which does the CDH favor? And Parliament?

[Answer] It favors stonewalling. Both the CDH Report and the motion that was presented a month ago to enable the CDH to complete a thorough investigation, including the graves in Umaro and Bellavista, the recent massacres--everything has been stonewalled.

Minister's Statements?

[Question] And has there been no discussion of the statements by Minister of War Jorge Torres Flores, which one might say are a hint of a coup mentality?

[Answer] We made a motion to repudiate those statements because they justified state terrorism, calling Sgt Maj Telmo Hurtado a "soldier for democracy." And I have more than a suspicion as to why it has not been considered.

[Question] The military, right?

[Answer] Particularly in its relationship to the government, the high command of the Armed Forces and the current strategy.

[Question] Which would reflect what the military thinks.

[Answer] Undoubtedly admiration for Cisneros Vizquerra. Because those statements by the minister of war cannot but prod the conscience of the sensitive and patriotic sectors in this country.

[Question] And how did Parliament respond to that motion?

[Answer] By stonewalling any discussion. But I know that the APRA Parliamentary Caucus has dealt with the problem, and that is why the minister was pressured to make a subsequent statement claiming that he hadn't meant what he said. For example, he said that he did not refer to Hurtado as a "leader of democracy, only as a fighter, and I said that before the massacres."

[Question] Which amounts to the same thing.

[Answer] Right. Creating more confusion.

APRA Stewing

[Question] Don't you think the president has a different attitude and dynamic than his parliamentary delegation?

[Answer] I don't have very detailed information on that, but it is true that Alan Garcia has been bolder in his confrontation with the Armed Forces.

[Question] On what do you base that assertion?

[Answer] Because he has sponsored a bill to subordinate military rule to civilian rule, so that he will be recognized as the supreme chief of the Armed Forces, even though the Constitution already stipulates that.

[Question] But was it a controversial subordination?

[Answer] Yes, because he tried to impose a firm hand in the matter of the secret graves in Accomarca, demanding that the Joint Command provide an explanation. The same was true of the departure of Praeli, who was the commander at the time, as well as the withdrawal of the chief of the emergency zone and the case of the chief of the Huamanga sub-zone.

[Question] But that situation seems to have subsided.

[Answer] Not only has it cooled down, it has come to a standstill.

[Question] Is there any other action by the president to salvage the situation?

[Answer] He has silenced the demands to investigate Umaro and Bellavista.

[Question] And doesn't all that have something to do with the mass media, which don't report anything anymore, neither television nor the written press?

[Answer] Of course. The most convincing proof came when the owners of the television networks were called into the highest level of government to be informed that terrorism had two basic sources of energy: hunger and poverty, for which some very limited development projects were going to be implemented, and reports in the media, which was why they were being told to silence all accusations related to this problem. And it is obvious that the reports have changed, and that political programs such as those by Hildebrandt and Ampuero have been subjected to explicit pressure. Some do not want to acknowledge this, but the Joint Command even went to Channel 9 in response to the opinion expressed on the two programs about the unrealistic administrative sanctions imposed on those responsible for Accomarca and Pucayacu. Thus, the president's dynamic thrust has been reversed, to the point that he appeared with the minister of war 48 hours after such rash statements were made in a shantytown, to announce sports complexes, something the Command itself would do. This is unheard of. Locking the barn door after the horse has escaped.

[Question] And what other "excesses" of the president can you point to?

[Answer] Many. Let's look at two. The administration proposes an increase in the budget, which amounted to 1.4 trillion sols. Of that total, 640 billion sols, nearly 62 percent, was for four ministries: War, Navy, Aviation and Interior. Another example was the refusal to release the political prisoners from the jails; 300 of them are from United Left (IU), and they also include union leaders, peasants and university students. Moreover, the absence of any amnesty provision, which would cover those who have taken up arms so that they could choose a different route, within a plan for total integration to combat imperialism, regain national dignity, guarantee the most extensive democracy, and lay the groundwork for a new Peru.

Human Rights and Revolution

[Question] Do you think it is possible to take the route you have indicated? Don't you think that the more realistic path passes inevitably through revolution? In other words, that the democratic route has to be armed?

[Answer] I don't understand your explanation.

[Question] That revolutionary change in the country is only possible if the people take up arms, and no other way.

[Answer] I think that any revolutionary process involves convincing the vast majority of the population to participate. It cannot be a messianic movement in the hands of a small group, nor can persuasion take place with terror or fear. And we should never ever forget our position on human rights, on the Armed Forces and their anti-subversion strategy. But I want to clarify something. I do not believe there is total cohesion in the military; I believe there are factions, as shown by the Velasco phenomenon. So I don't think there is blind adherence to the dictates of the schools in Panama.

[Question] And how can the National Security doctrine and its strategy be defeated in specific terms?

[Answer] By formulating, within the framework of the Peace with Social Justice battle, a new national security order, with very different foundations. It must consider the defense of sovereignty first of all, but within the context of economic, cultural, practical political and nationalist considerations.

[Question] And what would be the requirements of that plan, which is utopian in my opinion?

[Answer] Broad popular participation. Defense of the people internally, drawing on their historical experience. Pursuit of a national defense policy based on multilateral relations. Curbing any subordination to the military. Taking up the banners of non-alignment. And within the Armed Forces themselves, adherence to elementary democratic principles such as civil political rights, the right to file claims, to demand better working conditions, and others.

[Question] You have listed various invisible impediments to the conduct of a proper investigation of the latest massacres in the country. How do you think what you have described can be reversed, through parliamentary action, perhaps?

[Answer] The struggle should not revolve around Parliament, now or at any time, even though it is a sounding board for a number of positions that could be favorable. But the alternative of POPULAR POWER is not forgec in Parliament, but rather under circumstances in which the organized people can exercise their power, change the correlation of forces, develop their consciousness further, and strengthen their decision-making abilities.

[Question] And does IU have all that?

[Answer] IU has never indicated that its focus of action was in Parliament, or in the municipalities, although they may contribute . . .

[Question] But they have not organized and have hardly contributed anything.

[Answer] In some aspects they have, but with limitations.

[Question] Very serious ones.

[Answer] With different nuances and circumstances.

The People and IU's Contradictions

[Question] And how do the people participate?

[Answer] Through the focal points we have mentioned: the unions, the regional organizations, the ghettos, the students--everything involved in building a political base, a party, a front, the struggle for democratic regionalization, to modify the correlation of forces, because there is no denying that APRA still has the initiative. And if that road leads us to bourgeois violence, we will respond with popular violence.

[Question] I still think it is unrealistic and utopian. And when does all this happen?

[Answer] In a vast popular movement.

[Question] By the way, how is IU doing?

[Answer] One of the focal points is the front, and that is why we are building it.

[Question] And why don't you state your strategy clearly?

[Answer] We will.

[Question] I say that, because I see in IU political expressions that have various strategic orientations, and especially various ideological foundations. So its concept of, let's say, power is different from that of a responsible Marxist party.

[Answer] But it is true that IU as a front has subtle differences within it.

[Question] But there are fronts and there are fronts. Strategic fronts and tactical fronts. The latter propose struggles and make demands, . . . but within the system. And the former, which have a common ideological foundation, strive to change the system. But the IU is not the latter. And if it is the former, it is not coming together.

[Answer] I see the problem differently. A front comes together on the basis of a common ideological perspective, to the extent possible. And if not that, on the basis of the unity of different elements, within unity. For example, not all of us have the same concept of socialism. We in the PUM advocate "a socialism of the masses and popular self-government," while others talk of statist socialism. And these differences exist within IU.

[Question] And what, in your view, is the central problem in IU?

[Answer] The degree of consistency between theory and practice.

[Question] But that brings us to a discussion of the semantic theory of symbols or words.

[Answer] There is an initial IU document that says things like: "The struggle is for the government and power."

[Question] Excuse me, but isn't there a trap in the middle?

[Answer] We went on to say: "The struggle of IU is for the government and power, which is based on the organized people."

[Question] And don't you find those words divorced from IU's real situation?

[Answer] No, because it is possible to carry out what we said. Of course, there are still problems of consistency, and there is a lack of serious criticism or self-criticism.

[Question] Incidentally, IU has not taken a stand on the statements by the minister of war. Why not?

[Answer] IU recently took a joint position which says, in the resolution portion: "To vigorously repudiate the statements by the minister of war because they are offensive to the CDH and damaging to the Senate, while constituting an excuse by someone who has implicated himself in criminal acts." It goes on to state: "To call upon the president to take the necessary measures to deal with a situation of well-known gravity."

[Question] And why has this not been made public?

[Answer] Because of the stifling of the press that we referred to. Fortunately, the statement we are going to issue over the next few days regarding the APRA bill will be very clear-cut, differentiating bills and alternatives and factions.

[Question] The problem will once again be one of consistency.

[Answer] That's right.

The Future of the CDH

[Question] Returning to the issue of human rights, what future do you see for the Committee?

[Answer] A very problematic one. You can imagine, if it has come to a standstill after only 4 months of government, while it lasted 2 1/2 years under Belaunde, then it will be very difficult to resurrect.

[Question] Why?

[Answer] Because APRA has realized the potential of an issue such as human rights.

[Question] Can you explain that?

[Answer] A CDH is always a thorn in the side of any government, because there will always be a monitoring of society and power.

[Question] Even under socialism?

[Answer] Even under socialism—why not?

[Question] Returning to our question. So APRA has stonewalled any attempt at debate, but also the anti-corruption campaign, right?

[Answer] Right.

[Question] And what solution do you see to that?

[Answer] Forming a genuine National Human Rights Commission, outside Parliament, not official, but civilian and independent of the state, made up of prominent individuals and representative institutions. And also very pluralistic.

[Question] And are steps being taken in that direction?

[Answer] The Human Rights Coordinating Office is a very important step right now, but it still needs more impetus. I think IU should play a vital role, because human rights are one of the key problems in building real democracy.

[Question] And a just one. That is why we are dealing with this.

[Answer] The issue of human rights is emotional, because generally when dealing with human rights it is easier to see the oppression and exploitation. And every time human rights problems are denounced, the bricks of the state edifice begin to crumble and fall. This is obviously a controversial issue.

[Question] We know that Armando Villanueva was or is the second vice-chairman of that CDH, which was chaired by Valle Riestra, and that he is a man who knows how to express himself and make himself heard when he wants to. Why do you think he went unnoticed?

[Answer] Villanueva opted for the "low profile," trying not to exacerbate relations with the military. That was why so many concessions were obtained on specific political objectives.

[Question] And at a propitious moment for the APRA government.

[Answer] And that was his mistake, because the government was at its apogee, and APRA could have taken better advantage of the situation. But its secretary general refused to, so it was diluted and slipped through APRA's fingers.

Postscript

[Question] Finally, what comment can you make about the fact that the Interior Ministry has announced that it will create a Civilian Vigilance Corps, with members who have left the Armed Forces? What can happen, knowing APRA's legacy with respect to discipline and anti-communism?

[Answer] I am against anything that amounts to the compulsive militarization of society. If the task is to organize, protect and care for the public order, then the people's organizations should be in charge of that. Just as the "rondero" patrols do in Cajamarca, because only the people can bring about democratic discipline, not the state.

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NEWSPAPER CALLS APRA LABOR BILL NEGATIVE, REACTIONARY

Lima EL DIARIO DE MARKA in Spanish 29 Nov 85 pp 10,

[Commentary by Teodosio Gilvonio Conde; passages enclosed in slantlines printed in boldface]

[Text] In the last few weeks, the mass media have provided intensive coverage of the Job Security Bill passed by the Chamber of Deputies. In our opinion, this bill condenses the most negative and reactionary elements of the three provisions mentioned in the background information (Decree-Laws 18471 and 22126, and Supreme Decree 011-TR).

We cannot fail to note how symptomatic it is that Dr Mario Pasco Cosmopolis contends that job security deserves a more serene and objective discussion, because "it will have retracted investment" and the interested parties have not understood it very well, when the bill essentially contains the proposals he had been advocating as a sine qua non for security.

The dangerous thing, in our opinion, is the fact that neither the Movement of the Workers and the People nor the representatives have become aware of this problem. The bill is coherently filling in the framework of "Alan's pyramid," in that it is trying to pit the organized ("privileged") sector against the unorganized ("unprivileged") sector. At the same time, it is defending private capital, naturally against the unions, federations, and centralization itself.

Nevertheless, we should also debunk the myth of job security, which /does not exist in a system of exploiters and exploited/ such as ours.

The case of socialist countries like Cuba is different; there, although there are "serious violations," the discrimination and coercion that exist in Peru are not seen there. Rather, the worker understands that production takes precedence there, while the means of production are in the hands of the state, which does indeed concern itself with the well-being of the people as a whole (housing, health, food and education).

I. /Serious Violations/

We have the cases referred to in the following paragraphs:

/a) Unjustified and repeated failure to fulfill obligations, the repeated refusal to carry out work-related orders from superiors, and the failure to obey internal job regulations or occupational health and safety regulations;

f) Engaging in acts of violence or repeated dishonesty, to the detriment of the employer, his representatives, management personnel, or coworkers;

g) Intentionally causing serious material damage to buildings, facilities, projects, machinery, and other property belonging to the employer or in the employer's possession."/

It should be noted here that Article 48 of the current Political Constitution maintains that job security is lost "for good cause, . . . duly proven," but for years we have seen how this principle is flouted ("Once the law is made, the loophole is there.")

Thousands of workers have been dismissed over the 16 years of the job security system, and the pretexts have been varied, ranging from building up a record for unjustified breaches of obligations, to acts of violence or dishonesty, and so on. It was enough merely to communicate with the Labor Authority, without even informing the affected workers.

Claims were filed with the Labor Ministry to no avail. The decisions were handed down unanimously, always using the same argument: "Principle of Authority," "Right of Management." The alleged facts were not and still are not investigated thoroughly; management's word is always accepted. The fundamental addition to these "serious violations" is the one referring to /"failure to observe internal job regulations . . ."/ even though it is known that these regulations violate working conditions, covenants and customs, in that the workers /do not participate in their formulation,/ and the Ministry does not demand any reports of labor representatives.

/"b) Use of property at the work site or that found in the worker's custody;

"c) Use or delivery to third parties of proceeds from the production of goods or services considered to be secret . . .;

"d) Repeated presence at work in a state of intoxication . . . ; and

"e) Unjustified absences for more than 3 consecutive work days constitutes a quit."/

Hundreds of workers, including primarily those in the textile industry, were the victims of disgraceful treatment by management: They were sold or given remnants without any receipt; they would accumulate them, and then they would be subject to a follow-up, and then would be "visited" by a member of the Investigative Police or the Civil Guard. Part of the material would be gathered as "evidence," and the "corpus delicti" would be used as grounds for firing.

The Labor Authority simply accepted the word of the police, without further investgation.

False information has been used to pressure and discharge leaders of the Industrial Community.

In conclusion, none of the grounds was proven with evidence, but was simply accepted mechanically. Those in charge of handling reinstatement cases were from management, and therefore tended to resolve the matter within the confines of the system, ignoring the provisions of the Constitution.

/"II. Just Cause for Discharge: Exceptional situations based on economic or technical causes not attributible to the employer, and acts of God or force majeure . . ."/

This ruse is being used to account for situations that will continue to arise because of the crisis itself. The norm sets forth the duties of the employer, but does not provide for the situation of the worker or the family that depends on him for support.

There is no way to obtain assistance for those who have lost their ability to work, their youth, and the best years of their lives. This has made massive and indiscriminate discharges commonplace.

/III. Prerogative to Discharge Workers and Role of Labor Communities in Claims for Reinstatement/

Processing labor reinstatement claims through the Judiciary not only means delaying the proceeding, as we will show later, but also violates the principle established in Article 51 of the current Constitution, by preventing the natural institutions of organization and defense (the union, the federation and/or the workers' central organization) from intervening in these cases. The intent is undoubtedly to try to eliminate these institutions, since they cannot be controlled.

The American Popular Revolutionary Alliance (APRA) Party has been insisting on reforming the Judiciary because it has become obsolete and is a real obstacle to justice in this country. It nevertheless advocates that the Judiciary itself, through the Prerogative to Discharge Workers, administer labor justice.

At present, it takes an average of 2 years to process claims for social benefits and community rights, with no increase in claims for reinstatement. When they are inevitably stepped up, the delay will be much worse. Moreover, there are the cases of pettifoggery, at which the companies' advisers (some of them Aprists) are so adept, and which will delay matters until Judgment Day.

Conclusions:

--First, an appropriate procedure should be guaranteed so that these "serious violations," can be duly investigated and proven, and so that these regulations are not flouted by management, as has been the case to date.

--The bill passed by the Chamber of Deputies condenses the three most negative provisions which have threatened Job Security: Decree-Laws 18471 and 22126, and Supreme Decree 011-TR.

--The right to orgnaization and the principle of defense are violated, and the unions are threatened with annihilation.

--The Job Security Bill reflects APRA's classist nature, and its defense of the system and of private capital.

--It also shows that job security is impossible when there is a system of exploiters and exploited, and the dependency of capital on labor is accentuated.

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PERU

CZECH FIRMS EXHIBITING MACHINERY, EQUIPMENT AT LIMA FAIR

Lima UNIDAD in Spanish 21 Nov 85 insert

[Text] Czechoslovakia today is one of the ten most developed countries of the world, and as a member of the socialist camp it is making a major effort to contribute to the development of the economic system of friendly developing countries. Consequently, it advocates a more equitable restructuring of international economic relations to favor the interests of third world countries.

Among the activities Czechoslovakia carries out in Latin America is the construction of power projects in Brazil, Argentina and Peru.

Czech Energy Projects in Latin America

Energy is a matter of serious concern to the economy of every country. As for traditional sources of energy, Czechoslovakia is capable of supplying basically all types of power plants, whether small, medium or large; hydroelectric, steam- or diesel-powered. In Latin America Czech power equipment is now in service in Argentina, Brazil, Peru, Mexico and Cuba, with a total installed capacity of some 3,500 MW.

Skodaexport has delivered to the Peruvian energy system on a "turnkey" basis all technical facilities for the Iquitos thermal power plant, and is building another thermal plant of the same capacity (20 MS) together with a Peruvian construction firm in Pucallpa. Sokodaexport delivers energy equipment either as an independent supplier or in conjunction with other manufacturers in the world. Cooperation in the manufacture and supply of these goods has taken place with consortiums not only in Peru, but also in Brazil, Argentina and Cuba.

For the electrification of the interior of Peru, another Czech supplier of energy technology, Pragoinvest, provided the new electric power plants with more than 100 diesel generating sets.

Machinery for Civil Construction and Highways

Mining technology falls within the sphere of the exports managed by Strojexport, be it in deep mining, or complete facilities for strip mining.

Czechoslovakia is among the few countries of the world that are equipped to manufacture sophisticated equipment and technological facilities for mining projects, whether deep or strip mining; this is also closely related to geological, geophysical and hydrogeological prospecting, for which Srojexport also supplies equipment.

As for Strojexport's activities in Peru, it has participated in the geological prospecting for the draining of Lake Paron. It is interested above all in providing construction technology and mining equipment to the Peruvian market.

With respect to Peru's development programs, Skodaexport could be a potential partner in both the expansion of the metallurgical and steel industries and the construction of hydroelectric plants, as well as the development of coal reserves, the building of machinery plants for the production of energy facilities, and more. There is also potential in the area of machinery to process tobacco, and the supply of trolleybuses and electric locomotives.

Machine Tools

Some 700 machine tools manufactured in Czechoslovakia are already in service in Peru, both conventional ones and those required for advanced technology. Strojimport exports large quantities of this technology to Latin American countries (Argentina, Brazil, Mexico, Venezuela, Colombia and Peru).

Textile and Leather Machinery

Major textile technology innovations have placed Czechoslovakia in the vanguard in this field.

The advanced textile industry in Peru requires above all BD open thread spinners, P weaving looms, UTAS looms, and small- and large-diameter knitting machiners. They are in service now in many Peruvian textile factories. Almost every tannery in Peru has leather tanning technology from Czechoslovakia.

Another outstanding tradition in production and manufacturing is Czech sugar refining machinery, for both beet and cane sugar.

Among the large number of countries that purchase our products we can mention just a few: Argentina, Brazil, Cuba and Peru, which expressed an interest in receiving two mills for processing cane sugar in Cayalti. In addition to milling equipment, Technoexport also supplies equipment for the mechanical loading and unloading of the sugarcane, the transportation of the sugarcane to the refinery, the preparation of the product for milling, the manufacture of bagasse, and the efficient use of bagasse.

Czech Health Technology

Czechoslovakia is a major manufacturer and exporter of health care equipment. It offers a wide range of products to supply medical facilities of all sorts throughout the world. This includes Latin America, where the most important exports are dental technology and X-ray equipment. In this sphere, just one statistic says it all: 200 ambulances have been provided to expand the health care network in the Peruvian interior; and 200 dental positions have been funded in Colombia, and 75 in Chile.

We could continue for a long time discussing the possibilities for Czechoslovakian investment in other areas, for example the shoe industry, transportation, pneumatic technology, etc. The broad base of sophisticated Czech machinery is capable of satisfying the needs of participating countries in a wide range of industrial sectors.

PHOTO CAPTIONS

1. Vlastimil Burian, director of the Czech pavilion.

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15 USSR FOREIGN TRADE ENTITIES EXHIBIT AT INTERNATIONAL FAIR

Lima UNIDAD in Spanish 21 Nov 85 insert

[Text] Soviet foreign trade entities are participating in the International Fair of the Pacific, which has been held in Lima since 1971. This time the USSR has selected a rich variety of products to display. The main objective of our participation is to continue developing ties of friendship and equitable economic and commercial cooperation between the USSR and Peru, the host country, as well as other countries, primarily Latin American.

The Soviet Union is engaged in dynamic economic and trade relations with several Latin American states: socialist Cuba, Argentina, Brazil, Colombia, Bolivia, Mexico, Venezuela and others. The Republic of Peru holds a noteworthy position among these nations. These relations are based on economic and commercial agreements signed by the states in question. In the interest of promoting trade, the USSR took an important measure to give preference to developing nations, including those in Latin America: In 1965 it eliminated the tariffs on imports from those countries. There are functional navigation routes between the Soviet ports on the Baltic and Latin American ports, and both Soviet and Latin American vessels use these routes.

Economic and commercial cooperation between the USSR and Peru began with the establishment of diplomatic relations and the conclusion of a trade agreement between the two countries in February 1969. This pact provided, among other important things, for most favored nation status in the trade between the two countries.

The Soviet Union supplies Peru with machinery and equipment, helicopters, airplanes, tractors, and automobiles; and it buys various raw materials as well as traditional products, including coffee beans.

In the form of impartial aid, the USSR donated nearly 500,000 rubles worth of loaders, scrapers, bulldozers and trucks to Peru in 1984.

There is no doubt that there are complementary possibilities to expand the economic and commercial ties between the two countries. To study these possibilities and draw up measures to contribute to development, in 1975 the Soviet-Peruvian Intergovernmental Commission for Trade was organized. In 1979, it became the Soviet-Peruvian Commission for Economic-Commercial, Scientific-Technical and Fishing Cooperation, and it held its 5th meeting in Moscow in 1985.

In 1980 the USSR Chamber of Industry and Commerce and the Lima Chamber of Commerce signed an agreement that provides for the exchange of economic-commercial information and delegations of businessmen, the organization of expositions, and the like.

The International Fair of the Pacific in Lima, which is a representative economic-commercial forum, will also help strengthen cooperation between the USSR and Peru. This year 15 Soviet foreign trade entities are participating in it, including Stankoimport, Traktorexport, Energomashexport, Teknointorg, Avtoexport, Neftehimpromexport, Teknopromexport, and others. The Ministry of Higher Education, the Ministry of the Fishing Industry, Goskominturist, and the Committee for Relligious Affirs of the USSR Council of Ministers will also be participating. Uzbekistan, one of the 15 federated republics, is amply represented at this fair.

The Soviet Union has sent new machinery, power and textile equipment, tractors and automobiles to the fair.

The organizers of the Soviet exhibit hope that their participation in the International Fair of the Pacific in Lima will help strengthen friendship and cooperation between the USSR and Peru, develop reciprocal trade, and contribute to the mutual understanding and progress of the two nations.

PHOTO CAPTION

1. Vladislav Sinogueykin, director of the Soviet Pavilion

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GOVERNMENT SILENT ON TOP POLICEMAN'S ABSENCE FROM JOB

Bridgetown DAILY NATION in English 11 Dec 85 p 9A

[Text] CASTRIES, St. Lucia — A veil of official secrecy continues to shroud the reasons why St. Lucia's top cop hasn't occupied his chair in the commissioner's office at police headquarters here for several months.

Not that Commissioner Cuthbert Phillips has been fired or is out of the state. He can be seen driving his white Japanese van around Castries every day. Daily, he drops off his daughter at the Ave Maria Infant School in the centre of Castries, and picks her up again after her school shift ends. One also sees him having a good time at parties.

But for several months on end, St. Lucians haven't seen Commissioner Phillips in uniform, or in the official vehicle assigned to the commissioner of police.

His immediate subordinate, Deputy Commissioner Andrew Frederick, has been acting commissioner for several months, ever since Commissioner Philips left here for an official visit to Taiwan earlier this year, following his attendance at several Interpol meetings in Europe and in the region.

Prime Minister John Compton, who is also responsible for Home Affairs and National Security, has remained extremely tight-lipped on the issue, and so has Acting Commissioner Frederick.

Connection

Commissioner Phillips was last seen in uniform when he appeared on national television during the **Exotic Palm** military exercises between United States, British and Caribbean troops here in September, when, in an interview with reporters, he drew a connection between the manoeuvres and the need to "protect the region against attacks by mercenaries hired by international drug smugglers, who may wish to set up their cocaine laboratories in our forests".

But at a Press conference the next day, the deputy commissioner told reporters that Mr. Phillips "was only there as an observer", and reiterated emphatically that "at the moment, I am the acting commissioner, and the one in charge". Again taken up on the issue in a live phone-in radio broadcast on the state-owned Radio St. Lucia on September 15, the acting commissioner repeated that he was "in charge", this time adding that Mr. Phillips was still "on leave", and insisting that he would say no more on the matter "at this time".

The official word within the Royal St. Lucia Police Force is that Commissioner Phillips is on leave, with some senior officials sometimes clarifying that it is "long leave". The word is that he went on leave after his Taiwan trip, and that his leave has been "extended". But there have been no official statements or reports to confirm this; and the commissioner himself has remained silent, though not out of sight.

No response

Not even a recent frontpage headline in the **Crusader** newspaper — which doubles as mouthpiece of the opposition Progressive Labour Party of former minister, George Odlum — has drawn any response from officialdom here.

In its October 19 issue, the weekly paper carried an article headlined, **Who Will Be St. Lucia's Next Top Cop?** speculating that the commissioner's absence was related to investigations being carried out by the government's Audit Department, suggesting that there were political consideration involved, and hinting that Prime Minister John Compton was about to appoint Assistant Commissioner Vernon Augustine to the top cop's job.

The **Crusader** has also hinted over the years, that there was friction within the force, having to do with divided sympathies within the rank and file behind Mr. Phillips and Mr. Augustine.

St. Lucia's youngest commissioner to date, Mr. Phillips is perhaps this island's fastest rising policeman. It was just over a decade ago that he was a senior photographer at the **Voice** newspaper here, and he was appointed commissioner over several other senior policemen with decades of service, quickly climbing the ranks.

A flamboyant middle-aged personality, he has been a quite vocal commissioner, quite outspoken about the need for improving conditions within the force, and its capacity to combat the growing use and peddling of hard drugs here.

Seat unwarmed

Since March 1985, however, he has not warmed his seat at police headquarters where his deputy, Mr. Frederick has sat since then.

It was also about that time that Prime Minister Compton indicated that a "reorganisation" of the force was already under way, under advice from a British official (See **WEEKEND NATION**, Friday, April 26, 1985).

The St. Lucia leader, with direct responsibility for the force, said its re-organisation was in order "to make it more efficient in the administration of law and justice". He said the still un-named British advisor the government had recruited, had already submitted "reports which show up a lot of weaknesses . . . ."

At the time, there were suggestions that the re-organisation was as a result of the eventual revelation that a murder-suspect had himself been shot several times by three policemen, contrary to earlier announcements by Mr. Phillips to the effect that the victim (whose body was found at the bottom of a steep cliff near the seaside just outside Castries) had committed "suicide". But Mr. Compton insisted that the two factors were unrelated.

Nonetheless, it is now eight months since Commissioner Phillips has not taken up official duties here, and his absence from office, while apparently the best kept secret in the local security apparatus, is becoming much of a talking point here, as the shroud of secrecy prevails.

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ST LUCIA

BRIEFS

MALLET ON TRINIDAD DEVALUATION--Castries, Dec 18--St Lucia's Trade and Industry Minister George Mallet says the decision by the Trinidad and Tobago Government to devalue the dollar came as a shock to this country. Mallet, who is also deputy prime minister, said he was sure manufacturers here would consider this a very unfavourable development. He said yesterday's 33 percent devaluation of the Trinidad and Tobago dollar against U.S. currency would place the exports of St Lucia and other Organisation of Eastern Caribbean States (OECS) at an acute disadvantage against similar products manufactured in the oil-rich twin-island state. Not withstanding the restriction on imports into Trinidad, we are...still depending on the market, which has now become more difficult because of the devaluation, Mallet admitted. Mallet said he had written to a number of organisations to find out from them in what way the devaluation is likely to affect business with Trinidad and Tobago. The trade minister said he is convinced that the devaluation would do further damage to the level of exports out of St Lucia. [Text] [Bridgetown CANA in English 2159 GMT 19 Dec 85 FL] /7358

CSO: 3298/253

ST VINCENT AND THE GRENADINES

PAPER URGES BETTER COAST GUARD FOR FIGHT ON DRUG SMUGGLING

Kingstown THE VINCENTIAN in English 29 Nov 85 p 4

[Editorial: "Drugs, Smuggling and an Adequate Coast Guard"]

[Text] Drugs! Drug addiction! Drug smuggling! The word "drugs" rings through the world with personal misery insidious crime and national shame in its wake.

The critical situation is causing something near to hysteria in some quarters. For example there was angry reaction--real or simulated for political reasons --to the news of the NDP Government's drive to promote trade with Colombia. It is alleged that Colombia is the second largest producer of cocaine in the world. Hostility to government monitored trade would hardly appear to be justified by the pattern of the movement of illegal drugs. True, the trade follows a trail of political corruption but the corruption is intricately bound up with secrecy and subterfuge not open negotiations. If there is danger to St. Vincent and the Grenadines from the Cocaine Supply that exists in Colombia, as there may well be whether or not we trade with that country the menace will exist. Cocaine, marijuana and all the other drug threats to our youth and our morality will come through smuggling: (a) Smuggling through customs by subterfuge of connivance, (b) Smuggling by the avoidance of customs via coastlines where customs do not exist.

It seems to us that St. Vincent and the Grenadines with the long unguarded coastline of its numerous islands provides a wonderful opportunity for the smuggling of all types of goods. Smuggling of illegal materials like drugs or arms to build up stocks for transshipment or for entry for subversive purpose. Smuggling of goods which could be brought in legally if duty was paid but for which the avoidance of--duty is sought.

Because of the nation's vulnerability to smuggling unless due care and attention is given to alleviating that vulnerability, the risk of the development of disastrous smuggling operations is very real. The answer can only be a strong coast guard.

The George Mc Intosh has already built up a praise worthy reputation as a rescue craft. However a single patrol boat cannot adequately protect our many-island-coast-line with its numerous coves and bays from smugglers--especially when it must also be available for rescuing hapless fishermen and other seafarers from the elements, poor knowledge of navigation, substandard craft and inadequate fuel supplies.

Not only should the coast guard include at least three patrol boats with adequate personnel to man them but it must be supported by the proper legal right to operate with authority against violaters of our national integrity.

We honestly believe that an adequate coast guard is essential for the policing of the waters of St. Vincent and the Grenadines against smugglers. Further, smuggling constitutes a real threat to the success of the struggle against drugs.

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CSO: 3298/237

ST VINCENT AND THE GRENADINES

MITCHELL PREDICTS ECONOMIC BOOM IN NEW YEAR

FL261931 Bridgetown CANA in English 1551 GMT 26 Dec 85

[Text] Kingstown, Dec 26--St Vincent and the Grenadines is poised for an industrial and general economic expansion as never before experienced, Prime Minister James Mitchell says.

In a Christmas message, Mitchell appealed to his countrymen to use 1986 to consolidate the gains his government had made this year.

The prime minister said his New Democratic Party (NDP) government had put our house in order and better than it had ever been.

He said in the new year, with the help of God and the goodwill of Vincentians, government could consolidate and continue to build a foundation for the future.

He cautioned that the nation would not drift into the promised land and that success would not come unless the people worked for it.

He declared: The world is getting to be a tougher place all the time. We are in cut-throat competition right here in the Caribbean. Let us get out there and secure for our country all that our ability can bring home, he said.

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FURTHER REPORTAGE ON PROPOSED 1986 BUDGET, REACTION

Details on Exchange Rate

Port-of-Spain TRINIDAD GUARDIAN in English 18 Dec 85 pp 24,25

[Text] -- PRIME MINISTER and Minister of Finance George Chambers, presenting the 1986 Budget yesterday, explained the benefits to be derived from adjustment of the exchange rate of the TT dollar. He said he expected it to restore a measure of competitiveness to industry and tourism.

Speaking on the exchange rate, he said:

"I turn finally, Mr. Speaker, to the issue of the exchange rate. The economic fortunes of the country have traditionally hinged on external market conditions for primary products, most recently crude oil which has been our lifeline.

EXPORTS

The unprecedented prosperity which the country has enjoyed since 1974 was made possible by the quadrupling of oil prices in January of that year. It is true that we had no influence on the developments in the international market; it is equally true, however, that it was only through judicious management of our domestic affairs that we were able to extract maximum benefit for the entire national community from the fortuitous external events.

During the period of boom, in order to facilitate the new export thrust, we put in place the necessary infrastructure, namely, communication links, roads, ports, water, electricity and gas transmission line and further developed the skills of our people.

The Government itself invested directly in heavy energy-based industry, thereby laying the groundwork for production in downstream activities. This enhanced infrastructure brought with it wider social benefits where it complemented consumption and improved amenities in the communities and, not least, it generated jobs during construction and permanently thereafter.

Since 1982 oil prices have declined in a manner which has severely eroded the real income of the community; but even though there has been considerable dampening of expectations, the reality is that the adjustment of costs, represented by profits, rents, salaries and wages has not been commensurate with the decline in real income.

The Government has over the years sought in numerous ways — by incentives, tripartite discussions, productivity promotion, and by other measures — to facilitate the growth of production and exports. Competitiveness, or rather the lack of it, is our basic problem and this no doubt is what has led to the incessant call for protection from imports, even those from Caricom countries.

I submit that the basic difficulty is that our costs are too high in relation to those of our competitors.

This is not surprising, given the upward trend in recent years of the external value of the Trinidad and Tobago dollar. Between June 1976 and July 1985, the real effective exchange rate appreciated by 80 percent. It is to be carefully noted, however, that most of this appreciation took place after 1982, a period during which our inflation rate was higher and our productivity gains lower than in the case of our major trading partners.

Moreover, the US dollar to which the TT dollar is pegged appreciated against other major currencies by almost 40 per cent since the beginning of 1982.

A certain mystique has always surrounded the exchange rate, even in large industrial countries, particularly during the years from 1945 to 1972. In that period, most countries operated a regime of fixed exchange rates within a framework which provided for changes in such rates only in the case of a fundamental balance of payments diseqilibrium.

When the rigidity of that system of fixed exchange rates threatened the very existence of the international economic order which it underpinned. Then and only then in early 1973 was there sufficient political will to treat it for what it is, namely, a man-made institution designed to facilitate trade.

Many developing countries peg their currency to one of the major traded currencies, such as the US dollar or to a basket of those currencies.

In the circumstances, particularly where the link is to a single currency, the exchange rate floats upwards and downwards regardless of the needs of the domestic economy. Rational economic management demands that the exchange rate be demystified and that it be set at a level which will further the aims of domestic economic policy.

BENEFITS

There are substantial benefits to be derived from an adjustment of the exchange rate of the TT dollar at the present time.

First and foremost this will restore a measure of competitiveness to industry and tourism.

Secondly, it would be a fillip to investment, particularly that financed from foreign sources, since the preception of an overvalued currency might well cause investors to adopt a wait and see attitute.

Increased competitiveness and investment will lead to higher production, expanded exports and more jobs, with consequent positive impact on Government revenues and therefore the wherewithal for increase public expenditure. There are, however, some inevitable costs, notably the lowering of the ability of citizens to purchase imports.

In order to achieve maximum benefit from an exchange rate adjustment it is imperative that costs of essentials be contained. The competitive edge sought will not otherwise be gained. So conscious are we of this imperative that the Government will go to the fullest lengths to contain costs.

In these circumstances, it is my considered view that the most advantageous way by which this can be achieved is the operation of a dual rate. There will be no change in the rate applicable to a range of foods, drugs, agricultural inputs and school books; in fact, most of these items have, for purposes of containing the cost of living, been exempt from the stamp duty on bills of entry levied in 1985.

A full list will be published, and the items brought under mandatory price controls at the existing prices. The Government is prepared to legislate a freeze of these prices should this prove necessary. The Government is also determined to contain the price of energy and to this end will instruct the nationally-owned oil companies to keep petrol, kerosene, LPG and all other sources of energy at prices prevailing today.

PROFITS

With no case for increase on this account in the price of basics, energy and, by implication transportation, the impact of this measure on the cost of living will be minimal. We have taken care to ensure that price increases will be contained. The national community must on its part, in order to reap the full benefits which we are confident that this measure can bring, contribute to the collective effort by restraint of profit margins, levels of rent and wage and salary increases.

Mr. Speaker, the 10 per cent tax on the sale of foreign exchange is forthwith remove and, with immediate effect, the exchange rate will be set at TT$3.60 per US dollar except for the items referred to earlier, to which the old rate of $2.40 to the US dollar will apply.

LOANS

As a result of the measures which I have outlined recurrent revenue will rise by a net sum of $1,680.5 million and recurrent expenditure will rise by $335.9 million. I also propose to move in Finance Committee an addition to recurrent expenditure of $19.5 million. Consequent on these adjustments a surplus of $857.8 million will be achieved on current account which will be applied towards financing our capital expenditure of $2,067.9 million.

In addition, capital receipts are expected to yield $196.2 million so that $1,054.0 milljon or some 51.0% of capital expenditure will be financed from our own resources. The balance of $1,013.9 million will be met from the net proceeds of borrowing of which foreign loans will account for $829.5 million."

Economic Stimulation

Port-of-Spain TRINIDAD GUARDIAN in English 18 Dec 85 pp 26,27

[Text]

FISCAL measures planned in the 1986 Budget include stimulation of employment and economic activity. Prime Minister and Minister of Finance George Chambers also announced measures to increase savings. Outlining the proposed fiscal measures, he said:

"I turn now to specific fiscal measures which I propose to implement in 1986. These measures are in addition to various policy initiatives and other actions which I have announced earlier in this Statement when dealing with sectoral issues.

MEASURES TO STIMULATE EMPLOYMENT

The strategy of this Budget is to increase output and employment. I do not, however, intend to leave it entirely to market forces to bring this about but will take specific measures to generate economic activity and encourage the creation of new jobs.

AN EMPLOYMENT ALLOWANCE

First introduced in 1974, with retrospective effect to 1972, has not been claimed to any extent by business, apparently because of restrictions on eligibility in terms of size of enterprise, the nature of the business, and the perceived inadequacy of the size of the allowance as well as of the procedure for making claims.

With effect from fiscal year 1986, I propose to introduce the following changes in respect of the employment allowance:

— all enterprises, regardless of their size and area of activity, will qualify for the allowance;

— claims for the allowance will be applicable only to jobs which carry a salary not exceeding $4,000 per month;

— the allowance will be set at a rate of 150 per cent of the actual wage paid in respect of net new employees, other than family members, engaged on or after January 1, 1986.

It is our intention to extend the benefit of this allowance to include the retraining and redeployment of workers in lieu of retrenchment, the precise mechanisms for effecting any such arrangement to be devised in tripartite discussions under the aegis of the Ministry of Labour, Social Security and Co-operatives.

The youth in particular merit special consideration, so many having completed school and joined the job market in recent times. In addition to the incentive of the employment allowance I propose to allocate an initial sum of $1 million which will be administered by the Ministry of Sport, Culture and Youth Affairs to assist in the stimulation of self employment for this group of citizens, either individually or as groups. This sum will be administered by the Ministry under guidelines to be determined.

MEASURES TO STIMULATE ECONOMIC ACTIVITY

In keeping with its undertaking, Government has decided to implement with effect from January 1, 1986 the Nassau Accord which provides for a surcharge of 15 per cent on specified imports from extra-regional sources as a means of protecting industry in Caricom countries.

This measure is expected to yield $19.3 million.

In view of this action and as a means of further stimulating local industry, I propose the removal of the Stamp Duty of 12 per cent on bills of entry in respect of raw materials and other inputs into industry, including agro-industry. As Honourable Members will be aware agricultural inputs are already exempt. In addition the stamp duty on pre-recorded cinematograph films will be removed.

This measure will cost the Exchequer $66.3 million.

The Purchase Tax of 10 per cent on packaging materials used by local industry will be removed.

This measure will result in a loss of revenue of about $5.3 million.

The fee of $200 for the extension of landing certificates in respect of visitors will be abolished.

The system of taxation of individuals and corporations is an important factor which conditions the general environment of economic activity. Government considers it useful from time to time to review the system of taxation and has, in the past, utilised the vehicle of the tripartite fiscal review committee for this purpose.

Although the last such review was completed as recently as 1981, general economic conditions have changed sufficiently to warrant another systematic examination of the tax system in Trinidad and Tobago.

I propose to appoint such a Committee under the Chairmanship of Mr. Frank Barsotti, Permanent Secretary in the Ministry of Finance and Planning, to review the incidence of taxation prevailing in Trinidad and Tobago, both direct and indirect, and to make recommendations.

The names of the other members of the Committee will be announced after appropriate consultations and the Committee will be required to report by March 31, 1986.

MEASURES TO INCREASE SAVINGS

The Government has in earlier Budgets introduced incentives to stimulate savings, most recently the National Tax Free Savings Bonds. In order to further stimulate savings, I propose:

— to increase the limit of the tax exempt interest earned on savings and deposit accounts from $3,000 to $5,000 per year;

— to extend this facility to deposits with non-bank financial institutions and building societies; and

— to grant to purchasers of units from the Unit Trust Corporation a deduction of $2,500 per year in respect of the purchase of additional units, the same facility as applies to purchases of shares in credit unions and co-operative societies.

Mr. Speaker, in relation to the purchase of shares in credit unions and co-operative societies, it is of interest to note that in respect of 1984 income a total of almost 53,000 claims for a sum of almost $80 million have been made to the Board of Inland Revenue.

In keeping with policy enunciated in recent years, I propose to continue the process of rationalisation of the number of rates of this tax. The new rate structure will encompass four (4) ad valorem rates, namely 10 per cent, 30 per cent, 50 per cent and 75 per cent instead of the present six rates, namely, 10 per cent, 15 per cent, 30 per cent, 45 per cent, 50 per cent and 75 per cent.

In the process, all goods now subject to tax at the rate of 15 per cent will be taxed at the lowest rate, that is 10 per cent and the few items, mainly alcoholic beverages, currently taxed at the rate of 45 per cent will attract tax at the rate of 50 per cent.

This action will result in a net gain in revenue of $3.5 million.

I propose to extend the coverage of the purchase tax to include various goods which in an earlier period were subject to this tax. The rate to be applied is 10 per cent. The purchase tax on cigarettes and other tobacco products which is levied at a specific rate will also be increased. A full list and details will be published in the Provisional Collection of Taxes Order, (No. 2) 1985. It is expected that the additional revenue yield of these measures will be $78.3 million.

IMF MISSION

The modifications of the purchase tax regime are consistent with the principles recommended by a Technical Assistance Mission from the International Monetary Fund which visited Trinidad and Tobago in 1983 at the invitation of the Government to examine the form of general sales tax most appropriate to our circumstances. The modifications to the purchase tax introduced represent a progressive movement towards full implementation of a general sales tax. To further reinforce these advances, steps will be taken during 1986 to develop capability in the Board of Inland Revenue to take over administration of this tax from the Customs and Excise Division in 1987.

In the meantime, appropriate legislation will be brought to Parliament to enforce collections of purchase tax.

TAXES ON SELECTED SERVICES

In anticipation of the introduction of a general sales tax; certain services have been brought within the tax net in recent years. In continuation of this process, I propose to introduce a tax at the rate of 10 per cent on the sales value of overseas tour packages and on the rental of motor vehicles except in the case of bona fide tourists.

This measure is expected to yield $1.0 million.

A variable levy on imported milk and milk products will be set by the Minister of Industry, Commerce and Consumer Affairs, the proceeds to be applied to the support of the domestic dairy industry. In setting the levy, the Minister will take into account the import price of milk products and the likely effect of the levy on their retail price. Legislation to give effect to this will be brought before Honourable Members after appropriate consultation with the relevant interest groups.

LAND AND BUILDING TAXES

The Government is mindful of the rehabilitation of cocoa, coffee and citrus plantations and of the extent to which private forestry is poised to make a contribution to the national economy. While we acted last year to bring about some relief from the new rates of land and building taxes, the entire question will be referred to the Fiscal Review Committee for recommendations as to the preferred method of taxation of large plantations in productive forestry or agricultural use.

MEASURES TO PROTECT PENSIONERS AND SENIOR CITIZENS

Mr. Speaker, the society has an obligation to care for its senior citizens. In recognition of this, the monthly pensions of all categories of public service pensioners who retired on or before December 31, 1983 will be increased with effect from January 1, 1986 as follows:

Basic Pension per Month	Monthly Increase
Up to $200	$250
$201 to $1,000	$200
$1,001 to $1,500	$175
$1,501 to $2,500	$150
Above $2,500	$100

More than 9,400 retired public officers will benefit from this measure which is estimated to cost $21.7 million per annum and will become effective from January 1, 1986. Part of this cost will be offset by the termination of existing arrangements under which retired public officers residing overseas have been receiving the Cost of Living Allowance intended to cushion increases in the cost of living in Trinidad and Tobago.

In order to ensure that these increases in pension payment do not attract additional income tax the Special Personal Allowance which pensioners now enjoy will be increased from $2,500 to $2,700.

Recipients of Old Age Pensions and Public Assistance will also be given increases on their basic pensions and Public Assistance with effect from January 1, 1986 as follows:

Old Age Pension	$25.00 per month increase
Public Assistance	
— for adults	$10.00 per month increase
—for Children	$8.00 per month increase

These increases will be in addition to:

— existing payments of grants for necessitous children who will also be receiving as students of primary or secondary schools the usual book and uniform grants;

— the food subsidy of $50.00 per month;

— the eligibility of all recipients of old age pension and public assistance to receive free bus passes.

'BUS PASSES

This measure will benefit over 54,000 old age pensioners and over 34,000 recipients of Public Assistance and is estimated to cost $20.1 million.

The eligibility to receive free bus passes now enjoyed by all recipients of old age pensions and public assistance will be extended to all persons over the age of 65."

Stimulation of Investment

Port-of-Spain EXPRESS in English 18 Dec 85 p 3

[Text]

IN A new move to attract foreign investment to Trinidad and Tobago, the Government is considering replacing the existing Aliens (Landholding) Act with a Foreign Investment (Encouragement and Regulation) Act.

Such an Act, said Prime Minister George Chambers yesterday, would "clearly welcome foreign investment, indicate the activities where foreign investment is proscribed and outline the incentives available to foreign investors, and their responsibilities and obligations."

In his 1986 Budget Speech yesterday, Mr Chambers also foresaw a "less dominant role" for government investment in the immediate future.

He said in previous years the Government had taken the lead in a new industrial development thrust.

"It now remains open for the private sector to build on this initiative and as it does so, Government will ensure that its policies continue to be fully supportive of its endeavours," Chambers said.

Government, he said, "must reserve the right to invest, preferably in joint venture with local and foreign investors or a combination of both, in new projects which can play a strategic developmental role.

"Priority will be given to channelling new investments into production for extra-regional export markets. This imperative is dictated not only by the generally acknowledged need to diversify and augment our foreign exchange earnings but also in recognition of the fact that it is only through access to larger markets that growth can be rekindled and sustained."

The Prime Minister also disclosed yesterday it was the Government's intention "to develop a viable year-round industry grounded in the distinct and unique culture of Trinidad and Tobago and making the most of the natural beauty of our twin islands.

"A major thrust in these efforts will be a programme for new hotel development with a target of an additional 3,000 hotel rooms to provide the minimum accommodation and other facilities necessary to make Trinidad and Tobago an important tourist destination."

As a result of discussions held with prospective investors during his visit to Europe and the Far East, "a proposal has been received for the construction of a resort hotel at Rockley Point in Tobago. The Ministry of Industry, Commerce and Consumer Affairs is also assessing a proposal for construction of a 350-room hotel in Las Cuevas."

Chambers also said with the construction of an improved runway at Crown Point Airport, Tobago, it would be able to "accommodate aircraft on direct international flights to Tobago from points such as Miami and New York."

The Ministry of Sport, Culture and Youth Affairs had also been "developing proposals essentially aimed at deriving maximum commercial benefit from our unique culture," the Prime Minister said.

He referred to "the promotion of the performing arts" and the formation of a National Youth Steel Orchestra and a National Youth Theatre Company.

And on copyright legislation, Chambers announced that the regulations and orders "have now been approved by Cabinet and will be published shortly and the Act assented to."

On that score, the Prime Minister also said "with the objective of promoting artistic works of excellence created and performed by local artistes, consideration is being given to allocating a specified minimum part of broadcast and telecast time, including prime time, to the presentation of such works."

Criticism of Devaluation

Port-of-Spain TRINIDAD GUARDIAN in English 19 Dec 85 pp 1, 34

[Article by Jerry Johnson]

[Text] **UNLESS the Government of Trinidad and Tobago grants a 90-day period of grace as was the case in Jamaica for large imports already transacted, many businesses, including manufacturers, will be destroyed in their efforts to raise the required extra millions, following Tuesday's devaluation of the TT dollar.**

When Government announced its two-tiered system in the House of Representatives, it exempted from the 50 per cent devaluation, energy products, pharmaceuticals, school books and foodstuffs.

But Prime Minister George Chambers made no mention about a grace period for commitments already made by importers. Nor did the Prime Minister exempt imported raw material, machinery, and spare parts.

Businessmen, already burdened by limited cash flow to fuel operational costs, are now saddled by refinancing or rescheduling of the expected additional debt.

Mr. Matthew Gonzalves, President of the Garment Manufacturers' Association, told the "Guardian" he was so upset by the devaluation that he was in no position to talk.

He managed, however, to say that his company, Elite Ltd. at the IDC Estate, Valsayn, lost an estimated $250,000 from the moment he opened the company's door.

Mr. Gonsalves, like Mr. Anthony Sabga, of the ANSA Group of Companies, has imported goods on the wharves but had not yet paid for them.

Mr. Sabga, one of this country's biggest importers, said he expected a devaluation for the past eight months. "We had no alternative. We were like sitting ducks. We are controlled by imports," he added.

He said he had paid for some of his goods. His company would need millions of dollars to replenish stock levels.

MORE LIKE 70 PC

The 50 per cent devaluation, he said, was more like 70 per cent when import duty and purchase tax were added. He hoped the financial insitutions would come to the assistance of the mercantile community.

The commercial banking sector is firm, however, that barring exemptions announced by the Prime Minister in the 1986 Budget, all clients will pay the new $3.60 rate.

Banks, though, are prepared to reschedule debts of clients, individually. Mr Al Skovmose, Director of the Bank of Commerce, said: "We have to take a sympathetic look because we have to keep them in business."

Some importers, Mr. Skovmose said, might increase the price of current stock to cushion the additional debt. But whether the market could bear the price was another question.

Businessmen in the distributive trade, it appears, may have little alternative, following the expected increases in the prices of imported goods, but to follow the lead of Mr. Sabga.

The ANSA Managing Director has taken steps to dieversify the company's industrial base with the acquisition of real estate for development in Chaguanas.

ANSA is in the process of completing an industrial complex there and hopes to finish four factory sheds by March and remainder by September.

But while Mr. Sabga and Mr David Wrigley, President of the Trinidad and Tobago Manufacturers Association, share similar sentiments about devaluation benefits to local manufacturers on the local, regional, and extra-regional markets, others including some manufacturers, hold different views.

Mr Anthony Lucky, President of the Block Manufacturers Association, said cynically that the construction industry was dead and Government could now bury it.

While the block industry is zero based — it does not import raw materials — it imports spare parts, according to Mr Lucky.

The transport industry depended

on imports, therefore the prices of trucks, forklifts and tractors, all tools of the block industry — would skyrocket. The price of pallets would also move up following an increase in the price of lumber.

Mr Lucky said there was a price war already and his employees would be unable to exist.

While there was an oversupply of blocks, with production capacity exceeding demand, there was little promise for exports. The wholesale price of a block in this country is $2.00 when compared with 42 cents in the United States.

Because of the weight of the product and transport costs, the block industry cannot compete. The only thing to save the block industry according to Lucky, is to build.

"But who," he asked "can afford to?".

Transportation costs, would soar, when added to the already exorbitant increase in rates and charges granted to the Port Authority by the Public Utilities Commission, he added.

CAR SALES SUSPENDED

One motor vehicle dealer suspended car sales yesterday and a spokesman said if cars were sold at present prices, the company would suffer heavy losses. He said hundreds of businessmen were in a similar position where they have received goods on 90 to 180 days' credit.

The prices of motor vehicle are expected to be increased not by 50 per cent, but by about 63 per cent. When a dealer buys a CKD unit (knocked down parts) Government then determines the mark-up based on the amount of time and labour it takes to assemble.

Businessmen, however, are faced with further headaches arising out of increased insurance premiums.

Mr Steve Ferguson, Managing Director of Maritime Life, said premiums, for all imported spare parts, building materials, glass, and hardware would be increased.

As the cost of machinery equipment, and buildings increase, so to would insurance premiums.

"From the information disclosed in the budget, I am unable to see how the Budget measures can possibly help industry in the short term or long term," Mr John Sellier, Chariman of the Caribbean Development Company, said in a terse statement to the "Guardian."

HIGHER RATE

"In the first place, I have to assume that imported raw material, machinery and spare parts will attract the higher rate of exchange since these important items were left out of the general exemptions mentioned by the Prime Minister," Mr Sellier said yesterday.

"Should my assumptions be correct, I fail to see how the Trinidad industry can obtain any lasting benefit from the draconian devaluation of its currency.

"I foresee rapid escalation of prices with consequent increases in cost of living allowances, not to mention demands for higher wages, which most industries will be unable to afford.

"This leads me to conclude that the main purpose of the devaluation is simply to obtain more TT dollars from our oil exports for the purpose of fianancing recurrent expenditure, he said.

KIRPALANI TO LOSE

THE Kirpalani group of enterprises will also lose heavily, both in retail and manufacturing operations, an official of the company told the "Guardian" yesterday.

He said: "Because of the system of credit by which the companies do business with foreign suppliers, the sudden devaluation of the TT dollar will result in considerable losses when products and material already received are paid for at the new rate of exchange.

"The new exchange rates will have a severe impact on our trade but we are still determined to maintain our pricing and employment levels for the present."

In its manufacturing operations, Kirpalani produces a range of goods such as garments, footwear, cable, cosmetics and household items.

"We will be most seriously affected here," said the official, "because we have fixed-price orders which we have already delivered and are still delivering, all made from inputs for which we will have to pay at the new rates."

He said all the documentation including EC-O approvals and licences would have to be readjusted to meet the new rates.

Foreign Exchange Reserves

Port-of-Spain EXPRESS in English 19 Dec 85 p 40

[Text] **AT the end of September, this country's foreign exchange reserves stood at $1.8 billion or $1,779 million, representing an import cover of about seven months, according to the "Review of the Economy" presented in the House of Representatives on Tuesday afternoon.**

The review states that this figure is "still comfortable by normal standards." Pointing out that there was a parallel movement in the deficit in the overall balance, the review said the amount stood at $2,162 million in 1983 and had decreased to an estimated $631 million by September this year.

The current account balance also remained in deficit, although this improved from the $2,117 million figure recorded in 1983 to just under $500 million in 1985.

Overviewing the performance of the various sectors of the economy, the review stated that the impact of the fall in international oil prices continued to be felt, with the local petroleum sector experiencing a decline both in crude production and in refinery throughput.

"However, following the revision in 1983-84 of the fiscal incentives extended to the industry, the decline in activity was arrested and real output increased by nine per cent in 1984 and an estimated 8.2 per cent in 1985."

In the non-oil sectors, it was noted that these continued to contract with real output falling by 13 per cent in 1984 and an estimated 7.9 per cent this year.

Sizable declines in output were recorded in the construction, manufacturing, transportation and distribution sectors. However, agricultural production for the domestic market continued to show growth.

Conditions in the financial sector remained tight with the level of bank deposits declining and a fall being reflected in both the money supply and bank credit.

Given these conditions, a shortage of liquidity developed in the system and excess liquidity which stood at 7.5 per cent of deposit liabilities in 1982 stood at two per cent by the end of August.

After a weakening in two years, deposits in the non-bank financial institutions grew by three per cent during the first half of this year compared with one per cent in the corresponding period last year.

Success was also reflected in the rate of inflation which went down to under seven per cent by the end of September as compared with 17 per cent two years earlier.

Panday Response

Port-of-Spain EXPRESS in English 21 Dec 85 pp 1, 48

[Article by David Renwick]

[Text] Describing the 50 percent devaluation of the TT dollar, the centrepiece of the 1986 Budget, as "an act of desperation, like a drowning man clutching at a feather, regardless of whom it hurts," Alliance Opposition Leader Basdeo Panday demanded to know what benefits the country was going to reap from this action when he opened the Budget Debate in the House of Representatives yesterday.

He seemed to think the Government itself might be the only beneficiary, since devaluation would provide it with increased tax revenue to "buy votes." Having "squandered the national patrimony of $60 billion in the past 12 years and milked the nation dry by way of oppressive taxation," according to Panday, whose speech was again televised live for the second year running, the Government has "nowhere to turn to finance the 1986 elections, so they descend to the bottom of the barrel and grab the last straw--devaluation."

Revenue from almost every item of taxation had fallen short last year. The Government had also been unable to borrow as much as it hoped and devaluation was one way of filling this gap "because there is no more that can be taken from the people."

But the private sector would be unable to take advantage of it because the price edge theoretically provided by devaluation would promptly be eroded by "the higher cost of imported raw materials, increased port charges and other local costs arising out of the devaluation." Panday, well aware that he had a national audience at his disposal, lambasted the Government for "failing to do its preparatory work before embarking on so desperate a move."

While the benefit were dubious, the drawbacks were obvious, the Alliance leader charged. A rapid rise in prices was the main one. "Many firms have already raised the price even of their existing stocks--the Budget was on Tuesday and prices went up on Wednesday," he pointed out. The price of cars would rise so steeply, Panday predicted, "that demand will fall even lower than at present, with consequent loss of jobs and financial jeopardy for the assembly plants."

He thought "the full impact of devaluation on prices" would be felt "by the middle of next year" and then "the suffering of 1984 and 1985 will seem like paradise." He expected the next election to be held before then, since "that was the objective of the entire devaluation exercise."

The Opposition Leader was sceptical that the dual exchange rate system would succeed and wondered whether the Central Bank would now have to "operate as a customs department" to determine whether goods fell into the limited category for which the old TT$2.40 to US $1 rate was retained.

The "machinery for determining which goods qualified" was not in place and commercial banks had been applying the TT$3.60 rate across the board since the Budget. "They do not know what to do and they are taking no chances. You either pay the $3.60 or you get no exchange —whether it is for food, drugs, schoolbooks or what have you."

The understandable attitude of workers was also likely to undermine whatever export benefits devaluation might have yielded, argued Panday. "They will have no choice but to demand higher wages and salaries and depending on the extent of their success, the anticipated advantages of devaluation will be negative and you'd be back to square one, where the only option is further devaluation."

Panday was also scornful of the other major policy initiative in the 1986 Budget— the attempt to boost employment through a special tax-deductible allowance to employers. Under the existing economic system, "an employer will only hire a worker if it is profitable for him to do so, not as an act of charity or favour. The employment-allowance idea has not worked and will never work as an instrument for creating permanent, full-time, well-paid jobs."

What's more, devaluation might threaten employment that already existed — in agriculture, for example. "Local farmers will no longer be able to compete with imported foods because devaluation will mean higher production costs for them, while imported food will enjoy preferential treatment under the two-tier system." The Budget might well have "put the final nail in the coffin of agriculture."

NAR Views

Port-of-Spain EXPRESS in English 21 Dec 85 p 48

[Article by Ria Taitt, EXPRESS Political Reporter]

[Text] **THE National Alliance for Reconstruction rejects state involvement in economic enterprise merely for reasons of prestige and short-term political gain.**

So said Winston Dookeran, economic spokesman for the Opposition. Dookeran's contribution to the Budget Debate in the House of Representatives yesterday was two-pronged. The first half was an attack on the economic policies of the Government, focusing specifically on the view that the Opposition had in the past pointed to many of the flaws in the economic system. The second half was the alternative programme of the NAR.

The NAR strategy, he said, was to promote economic growth from an internal thrust as opposed to an external thrust (via foreign investment). Among the measures he proposed were the allowances for business on the basis of local value added, particularly with respect to the employment of labour as against allowances only for capital and fixed assets; tax exemption for profits re-invested; the establishment of a technology resource centre and data bank to facilitate the search, transfer, adaptation and diffusion of appropriate technology.

In order to provide for an integrated and dynamic local economy, he said, the NAR would suggest incentives and facilities to explore all avenues for sectoral and industrial linkages and to use indigenous resources. Dookeran also said that the NAR would strengthen the Bureau of Standards to lay down minimum acceptable standards for products and services.

Dookeran focused specifically on fiscal elements for increasing the level of employment. These included tax allowances for retraining and apprenticeship schemes, tax and other incentives for the establishment and expansion of small businesses and efforts at self-employment. He also referred to specific incentives for small and medium scale agricultural production and processing which maximise the use of agricultural resources and tax incentives for payroll increases.

Dookeran said three major elements of public policy would have to be introduced. He said the private sector would have to be encouraged via tax incentives to invest in regionally depressed areas. Secondly, he argued for direct investment by the Government in areas of economic activity which are necessary to national growth and development but where there is a shortage of private capital. Thirdly, he argued for the investment in infrastructure and amenities to achieve an "acceptable norm."

Dookeran devoted considerable time to agriculture. He said that the NAR's plan would embrace the development and implementation of a Food Plan which aims at self-sufficiency in all possible areas of food production and the security and availability of food supplies to the nation at all times. He added that it would also aim at toning down the price differences between imported and locally produced items to the "favour" of local produce.

The programme, he said, would also seek to address the regional imbalances of supply and demand in the urban and rural areas and which will be co-ordinated with the processing and export sector to "minimise internal wastage."

Union Reservations

FL211900 Bridgetown CANA in English 1807 GMT 21 Dec 85

[Text] Port-of-Spain, Dec 21--The left-wing Council of Progressive Trade Unions (CPTU), one of two labour groupings here, has described the government's 1986 budget as a stop gap measure to deal with the devaluation in the economy.

CPTU General Secretary Cecil Paul, in a comment to CANA, also expressed doubt that one of the main aims of the budget--attracting foreign investment--would actually work and predicted a further rise in unemployment.

Prime Minister and Minister of Finance George Chambers announced a 33.3 percent devaluation of the local dollar, a move he said was aimed at making Trinidad and Tobago more competitive.

We have 15 percent of our people unemployed and it's going to increase, Paul said. If we do get any substantial foreign investment to industrialise, the foreign investment that is going to come into Trinidad and Tobago will be high technology/low labour intensive industries. That is where manufacturing has gone...(and) that is why there is a serious unemployment problem in the Western metropolitan countries, he added.

Paul also predicted higher prices and a drop in the standard of living as a result of the budgetary measures, including the devaluation and introduction of a two-tiered currency exchange regime.

We are an import society and it will certainly push up the cost of living and it would create some very serious problems for the average worker, he said.

That has been tried in Jamaica, the devaluation of the Jamaican dollar, and the dual currency rate, and it has not worked. I don't see it working in Trinidad and Tobago.

We feel also that the budget is projecting an IMF-type solution to the problems of the country. We feel that the IMF solution--just as it created chaos in Jamaica, just as it created chaos in Latin America, just as it created chaos in all Third World developing countries--will create chaos in Trinidad and Tobago.

Press Criticism

FL231736 Bridgetown CANA in English 0030 GMT 23 Dec 85

[Text] Port-of-Spain, Dec 22--Trinidad and Tobago's Sunday papers today criticised Prime Minister George Chambers' 1986 budget, which included a 33.3 percent devaluation of the TT dollar against the American.

We do not oppose devaluation as an instrument for restructuring our economy, says an editorial in the SUNDAY EXPRESS. In fact, it is necessary and desirable when the productive base is in place and posed to take advantage of exporting opportunities.

But that we do not have, whatever the number of companies that may have registered with the export corporation. Chambers knows as well as we do that such registration has little significance for the imminent ability of the company to export.

The SUNDAY GUARDIAN accuses the government of avoiding the issue of divestment of state enterprises, a promise made by former Prime Minister Dr Eric Williams.

It is now absolutely clear that the creeping socialism of which the PNM (Peoples National Movement) government has long been accused by many, this column included, is not only true, but is picking up momentum and is moving to a full gallop towards socialism, the paper charged.

The SUNDAY GUARDIAN's special correspondent said that government devaluation will affect the private sector adversely in a number of ways.

He said it would hit those businesses with outstanding debts to foreign suppliers, those who must now start purchasing at the new rate, and those with foreign loans to service.

A large number of businesses face extinction, states the paper, and this is no mere exaggeration.

Employment will be affected and government will be forced to buy over or invent make-work schemes, thereby in a circuitous way achieving the objective of getting everyone on the government's payroll, the paper added.

The EXPRESS editorial said that government has got into its present state from economic mismanagement in the past. Even the manner in which this draconian devaluation was imposed reinforces the view that the implications of this step had not been carefully considered, the paper said.

The paper said that government's revenue fell short by 1.6 billion dollars last year (one TT dollar; 27 U.S. cents) caused when taxes imposed on particular sections such as the 12 percent stamp duty proved to be counter productive rather than revenue raising.

As much as it must be admitted that the task of preparing this budget was not an enviable one, said the paper, we are long past the stage for complacency in the face of the grave mismanagement of our resources.

The paper added: what we oppose is a devaluation that is designed for the single purpose of raising government revenues, much of which will be unashamedly used to finance an election year.

Revenue Data

Port-of-Spain TRINIDAD GUARDIAN in English 19 Dec 85 p 22

[Text] TAXES on income and profit estimated at $3,550.4 million will head the list in the projected $7,000 million in Government revenue for 1986. Other levies amounting to almost $1,500 million are expected to boost overall tax take to just over $5,000 million.

This is revealed in an abstract of Estimated Revenue and Borrowing for next year laid in the House of Representatives along with the Budget presentation. The document also includes Revised Estimates of Revenue for 1985 and Actual Revenue for 1984.

Non-tax revenue is anticipated to bring in $768.4 million representing a drop of about $218 million below the 1985 revised figure of $986.8 million.

Another major source of income in 1986 is the planned borrowing of $1,000 million of which the bulk ($829 million) is to come from overseas loans.

The overall $1 billion loans-seeking venture will represent an upswing of some $325 million on the $676.5 million obtained this year. Actual Government borrowing in 1984 was $720.7 million.

Total revenue for 1985, according to the revised estimates, is $7,324.6 million. This is a shortfall of $1,600 million of the budgeted $8,903 figure — but above the actual intake of $7,743.4 million in 1984.

Royalties on oil have been estimated at $414.6 million for the next year, down from the $448.5 million for this year from an initially anticipated $460.5 million.

Where the money will come from and collection performances:

Heads	Actual Revenue 1984	Estimates 1985	Revised Estimates 1985	Estimates 1986
	$		$	$
TAX REVENUE				
1. Taxes on Income and Profits	4,298,244,436	4,570,758,000	3,797,603,000	3,550,450,000
2. Taxes on Property	14,267,634	36,000,000	23,843,000	25,753,000
3. Taxes on Goods and Services	701,774,567	960,456,800	804,268,760	899,971,060
4. Taxes on International Trade	459,706,908	897,030,000	552,351,000	530,600,000
5. Other Taxes	42,416,585	42,667,000	56,500,000	36,324,000
TOTAL TAX REVENUE	5,516,410,130	6,506,911,800	5,234,565,760	5,043,098,060
NON-TAX REVENUE				
6. Property Income	778,514,305	767,982,600	855,553,110	662,740,200
7. Other Non-Tax Revenue	99,141,185	150,168,025	131,346,520	105,670,100
TOTAL NON-TAX REVENUE	877,655,490	918,150,625	986,899,630	768,410,300
SUB TOTAL	6,394,065,620	7,425,062,425	6,221,465,390	5,811,508,360
8. Transfers and Grants	20,069,832	10,000,000	3,500,000	1,000,000
9. Capital Revenue	3,332,000	-	171,072,000	-
10. Repayment of Past Lending	1,244,559	251,906,657	16,628,800	21,735,890
11. Borrowing	720,738,977	1,216,368,000	676,550,000	1,089,400,000
12. Transfers from Long Term Development Funds	604,000,000	-	235,419,935	173,491,669
GRAND TOTAL	7,743,450,988	8,903,337,082	7,324,635,125	7,097,135,919

/7358
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TRINIDAD AND TOBAGO

BRIEFS

CARONI LAYOFFS--One hundred and seventy four workers will be retrenched by state-owned Caroni Ltd before the start of the 1986 sugar crop. This is part of the 4,500 sugar workers earmarked for retrenchment over the next five years in the company's plan to restructure the sugar industry. Company's personnel manager Rennie Mohammed yesterday despatched a letter to All Trinidad Sugar and General Workers Trade Union general secretary Sam Maharaj seeking a meeting with the union to discuss the retrenchment issue. According to Mohammed's letter, 42 workers in the distillery, 52 in the field engineering at Brechin Castle and 75 at the field engineering department at Usine Ste Madeleine will have to go. The company said that the services of the workers would be terminated because the manpower needs in those areas were in excess. During the course of this year Caroni has been retrenching workers in small groups wherever excess manpower has been identified. [Text] [Port-of-Spain EXPRESS in English 14 Dec 85 p 5] /7358

CSO: 3298/255

PIT-CNT DOCUMENT EXAMINES DEVELOPMENTS, PERSPECTIVES

Montevideo BUSQUEDA in Spanish 14 Nov 85 pp 12, 23

[Text] The Uruguayan union movement last week approved a document ("Evaluation and Prospects") that evaluates the events that occurred between its last congress (1971) and 1985. It begins by indicating that these have been marked "by defeats and victories." At the same time, it explains that these "are considerations that approximate an evaluation."

It states that the unions were not "the ones that led the country to poverty and foreign debt. This was done by the submissive antinational policy of the most reactionary sectors of the oligarchy that have governed the country in recent decades."

It refers then to the trajectory of the union movement, going back to the time of Gabriel Terra and, more recently, to the de facto government in power since 1973. It indicates that this trajectory "shows us the ability of the labor movement to understand the working class within the framework of the national situation as a class endowed with vision and programmatic guidelines for a national project."

As to the congress the union will hold at the end of November, it indicates that it must discuss "with calm fraternity and lucidity the past, present, and future of the labor movement...." It is "a time for objective and rigorous analysis to prepare us for future struggles that might be even harder."

The document states that the problems that the country faces today "have the same structure as 12 years ago: ownership of the land in a few hands, the banks and foreign trade taken over by foreigners, the paralysis of industry, productive stagnation and submission to imperialism and the IMF."

The document of the PIT [Interunion Workers' Assembly]-CNT [National Workers Confederation] recalls the rise of the CNT "in the period from September 1964 to October 1966" which led to "the organic unity of the union movement."

The introductory part of the evaluation document also states that, when evaluating the period from the last congress until the end of the general strike, "there were different opinions contained in two documents published at the end and attached to this report."

How to Accumulate Forces? How to Define the Road?

The report then undertakes a chronological analysis of the events that marked the national scene beginning in December 1971. It recognizes that "there were points of disagreement in the union movement" on how to accumulate forces, how to define a road that led to "effective failure of the economic policy and the repressive and authoritarian readjustment."

The document states: "The coup d'etat was a growing, but not fatal, danger. It was a real risk, more real each day, and a challenge. Consequently, the debates in the union movement were directed at how to fight the battle."

"The debate or debates centered around the evaluation of the situation, the balance of power, and how the union movement had to accumulate forces." As a result of the discussions, the Executive Secretariat drew up a battle plan. "Tactical differences persisted but there was agreement to direct efforts toward a political offensive to achieve demands closely tied to the objectives."

1973 General Strike

The document then goes into the general strike called by the union movement after the coup d'etat on 27 June 1973. It indicates that the CNT had already discussed a long time before what to do in such a circumstance: "a general strike and occupation of the work centers."

The evaluation document indicates: "These were decisive times when long years of organizational and ideological maturity of the workers accumulated." It adds that, in the midst of the most serious political crisis in the country in the century, the labor movement placed itself in the center of political events, becoming the main protagonist in democratic resistance.

"Initially the coup, shielded by communiques 4 and 7, tried to confuse the people by appearing to be against corrupt politicians. However, hundreds of thousands of workers understood that what was in question was the fate of the large national majorities for a long time."

It then cites the support received by the union movement during the strike from the student movement, the Broad Front and, later, the National Party.

It recognizes that the "massive repressive action deployed from the very beginning of the strike managed to decrease the resistance of some key sectors despite the tenacity shown. Many establishments were reoccupied more than once after police or military eviction."

The report states that the strike ended on 11 July. It lists a series of decrees that led to thousands of suspensions, indictments, and dismissals. They also made the CNT illegal and issued arrest warrants for 52 leaders.

Evaluating the strike, the document states that it was impossible to hold a global discussion at the base level throughout the union. Therefore, different guidelines were given "to act organically within the union movement."

It adds: "As was expected, opinions on the evaluation of the strike were as different as the ones on the tactics of the union movement."

Two Documents

It then states that "although there are individual reflections as well as those by certain political groups evaluating the strike, we refer here only to two documents produced in the days that followed it by representative organizations and organisms. One is the 'Message from the CNT to the Uruguayan workers' approved by its Representative Board with an opposing vote by some unions. The other document is one approved by three union organizations--FUS [Federation of Uruguayan Sanitation Workers], FUNSA [Uruguayan Tire Plant, Inc.], and FOEB [Federation of Beverage Workers]--that became known as the document of the three F's."

(Both documents reflect the two basic points of view that first appeared in the union leadership after the June 1973 strike. The first, "Message from the CNT," was the interpretation that the majority sector of the union leadership--of communist inspiration--gave to the event. The second, that of "the three F's"--sanitation, FUNSA, and beverage workers unions--expresses the view of the sectors that made up "the tendency" or "the combative current.")

The union report then states that both documents agree in pointing out the demands of the CNT and its leading role, Bordaberry's condemnation and the 27 June coup, denunciation of the oligarchical and antinational interests behind the coup, etc.

It then begins to describe the years that followed this time, indicating that the dictatorship wanted "a docile union movement" and issued a decree to form several unions at each enterprise using the argument of democratizing the union movement.

As to union mobilization, it indicates that the members were arrested periodically. "At the end of 1975, the repression spread and the joint forces launched a veritable wave of terror." It states that 1976 and 1977 "will remain marked in the struggle against the dictatorship as a difficult period where fighting meant risking one's life."

The document then goes into the incubation and characteristics that led to the militarization of the country. It feels that the Emergency Security Measures "made it possible to involve the FFAA [Armed Forces] in the repression."

"This was the time for the exercise of discretionary power (after the coup), the practice of repression and torture, persecution of any form of opposition....These are the natural consequences of the growing application of the Doctrine of National Security."

Union Policy of the FFAA

Another chapter of the union document refers to the union policy of the FFAA "that had as common denominator the harassment of the classist organizations." It states that, at first, the focus of the repression "was the annihilation of subversion." Although hundreds of union members had already been arrested and tortured, the PIT-CNT document indicates that beginning with the declaration of the general strike, "and particularly the decrees of 4 July, the repression against the CNT and the unions became systematic. A repressive social legislation was sanctioned by decree and the state encouraged informing and division. All union rights and demands were ignored."

It then refers to the creation of the labor office of ESMACO [Joint Chiefs of Staff], "an office directly under the military commands," the arbitration committees in the private sector, "based on the denial of the existence of the class struggle and advocating the need for 'harmony' between capital and labor," and the implementation of Institutional Act No. 7 "that ended the immobility of public officials."

It also recalls an initiative promoted by the Navy in July 1979 "to form a union movement subordinate to its interests" which culminated "with the demand for the release of all imprisoned union members."

Self-Critism, Elimination of Overconfidence

The union report indicates that there must not be "any overconfident inflection that causes confusion about the unquestionable fact that, between 1973 and 1979, the labor movement suffered serious reverses. These reverses permitted a continued and constant drop in real wages, increased exploitation, violation of the system of union rights, etc."

The report indicates that management benefited directly, increasing its profits with the reduction in wages. It gives a detailed explanation on where that capital went.

Reorganization

As to reorganization of the union movement, the evaluation document establishes that it began in the period 1980-1983 (on 1 May).

"The debut of the masses during the ceremony on 1 May 1983 was not a random action....It was the fruit of organized, selfless and hard work by the resistance under the worst conditions of clandestineness, etc."

It then recalls a document of the AEBU [Association of Uruguayan Bank Employees] protesting the change of the date of 1 May 1980. This also criticized the context of the Professional Associations Law promoted by the government.

Precisely 1 May, the discussion of the law and mobilization for the plebiscite are the points of reference in the reorganization process that year, according to the report.

It then cites the assembly held by AEBU in December 1981 ("the first authorized by the dictatorship") in which it was resolved to adapt to the Professional Associations Law with the motto that it must be used by the workers "to organize ourselves and break it and fight it from within."

It recalls that, at the end of 1981 and the beginning of 1982, "a new repression of the union movement began" and some 200 leaders were arrested, including members of the CNT leadership. "However, this blow could not stop the reorganization process of the entire union movement."

It indicates the gradual reorganization of unions such as those of the beverage, FUNSA, health, textile, and tobacco workers.

The document fixes 1 May 1983 as the date of the debut of the workers in the democratic struggle and points out that this demonstration "was a landmark in the struggle against the dictatorship." It meant "the debut of a new protagonist in the political scene, the organized workers who convoked all the people to mobilize."

"The formation itself of the PIT meant that the workers went beyond the union law and took a big step toward reorganization as a mass organization."

The document then describes the events that occurred in 1983, citing the dialogue between political parties and the military in the Parque Hotel as well as the different protests carried out by all the opposition forces, especially the one on 27 November in the Obelisco.

There is also a description of the main events occurring in 1984, especially the general strike on 18 January. After it, "the dictatorship made the PIT illegal and limited its field of action."

"Despite this, work began to orchestrate 1 May which will be commemorated in Montevideo and in the interior of the country."

The report mentions the civic strike on 27 June, "11 years after the coup d'etat," which marked "the complete isolation of the dictatorship". At the same time, it criticizes the political parties because "when the time came for negotiation between the multipartisan organization and the military, the PIT-CNT heading the union sector was left out of the negotiations."

Last, the evaluation document feels that the opposition front should have maintained its unity and negotiated jointly. By not doing so, it weakened the accumulated forces. It states that the union movement presented proposals to CONAPRO [National Programmatic Agreement] based on the initiatives of the CNT and the PIT documents of May 1983 and 1984.

Prospects

As to the "Prospects" aspect of the union movement, the PIT-CNT states that it has come out of the dictatorship "with a great capacity for mobilization and struggle." It feels that the union movement "has become an enormous force of national importance."

It adds: "Everything indicates that it will acquire greater decisive effect on the general life of the country, both on the economic plane as well as on the sociopolitical plane."

The report maintains that the basic objective is "to deepen democracy based on social justice,...eliminating the instruments that developed the Doctrine of National Security."

The Prospects part of the document states: "The crisis that affects the nation will only be ended through unity in a program of national solutions."

The text then discusses the current economic situation of the country. It feels that the government has not fulfilled everything agreed on since "it continues to apply the neoliberal policy of the dictatorship."

It then expresses the main features of the economic line of the current government which "definitely hurts our sovereignty because it continues to depend on the dictates of the IMF." It announces its alternatives to the situation which include a "perceptible and urgent improvement in wages."

It then questions the proposal made by the Executive Branch within the framework of the national dialogue since "it implies discussing how an eventual growth in production will be distributed among the population." At the same time, it states that the refinancing of the debt, negotiated with the creditor banks and the IMF, "only covers the debt" and that the loans granted by the private banks do not change the situation.

It indicates that revitalization must include an improvement in the living conditions of the people.

The document goes into the topics of the budget, Social Security, the Corporation for Development and the refinancing of debts of the small and medium producers.

"This economic orientation of the government does not represent the interests of the people" by applying a policy "of the IMF that only benefits the banks and threatens the democracy."

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URUGUAY

SENDIC ON PRESENT PLANS FOR TUPAMARO ORGANIZATION

Buenos Aires EL PERIODISTA in Spanish 7 Nov 85 pp 34-35

[Interview with Raul Sendic, Tupamaro leader, on 17, 18 Oct in Montevideo by Julio Huasi: "River Makes Many Turns but Knows Where It Is Going"]

[Text] Despite his famous refusal to "pose" for the press, the legendary leader and founder of the Uruguayan MLN [National Liberation Movement], Tupamaros Faction, Raul Sendic, talked exclusively with EL PERIODISTA on Thursday and Friday, 17 and 18 October, in his residence in Montevideo, a 100-year-old house in the popular Sur district. In more than three decades of public life, beginning as a union and political organizer, no one has been able to take his picture except the military who took him prisoner on 1 September 1972. He was shot that day as he shouted: "I am Rufo and I do not surrender." One bullet took 7 centimeters of bone from his lower jaw and mutilated his tonsils, epiglottis and part of his tongue. His capture was politically eloquent. Sendic remained in Montevideo--when the defeat of the MLN was already a fact in April 1972--to "save brothers," hundreds of boys and girls who left clandestinely for exile under his exact orders, the reverse of the usual situation.

Raul Sendic Antonaccio, a descendant of peasant families of Basque, French and Italian origin, was a university student and leader of the Socialist Party. After the Cuban Revolution, he introduced the prospect of "socialism a la Uruguay." He ended up organizing the exploited workers of the Artigas sugar mills and, "with the 'peludos,'" founded the UTAA [Union of Artigas Sugar Workers], a union that held memorable marches to the capital demanding land and agrarian reform. In 1962, the time came for the MLN-Tupamaros when the proposal of the armed way won over the militant youths on the continent.

Transferred from one headquarters to another, tortured even in old cisterns, Sendic did not lose his affability, his quiet laborer's voice or his shyness. Born in Trinidad on 16 March 1925 and the father of five, Sendic will soon travel to Havana for a complicated operation on his mouth.

For obvious reasons, he had to make a considerable effort in the interview which did not just cover politics. ("The shorter, the better," he requested with obvious signs of 12 years of prison and mistreatment.) He also spoke as a poet and musician: "I really like the music of words." Sendic is one of the authors of "Cantares del calabozo" [Poems from the Dungeon]. It was written by six of the nine leaders who were official hostages of the military dictatorship. Two songs were also composed in prison. In "Los timoneles" [The helmsmen], he states: "The river makes many turns but it knows where it is going....It will not have much importance, but I ask fate to let the hands that are reaching out in the distance find it before death." The work is performed to packed rooms in tours through the country.

These leaders also perform for crowds of people in plazas on Sundays where they respond to any concern and any criticism. The effect is a mutual current of warmth. So far, the services have not dared use professional agitators. How many politicians of any type anywhere are in the position to practice this open democracy? The following is the interview held with Raul Sendic:

[Question] How do you view the Uruguay of today?

[Answer] The people are afflicted with tremendous economic problems. Each time there is a call to demonstrate--like the union summons of 25 August--enormous crowds go out into the street. The Uruguayans also have a great desire for communication and affection that did not exist to that extent before. It could be said that these are people who enjoy socializing and going out in crowds into the street.

[Question] What is the Tupamaros' current project?

[Answer] There is great integration among the people. It could be said that much of that affection of the people has spread to the Tupamaros. That brings commitments. We are trying to promote feasible projects like colonization of the land through cooperatives. This is slow work but it is already in progress. We also promote large economic and political projects through our "Plan for the land and against poverty." However, we want to advance practical projects.

[Question] In your opinion, how is the Latin American foreign debt and continental unity facing the creditor banks and the powers that protect them being resolved?

[Answer] Bolivar once made an almost legendary speech for Latin American unity. There have been many, many other speeches for Latin American unity but nothing happened. Now, look: the Debt, with a capital D, performed the miracle. It gave priority to an almost forgotten Latin American Parliament. Governments of all tendencies have declared their intention to negotiate collectively. They have stated emphatically that the debt cannot be paid. Frightened by their own audacity, some look north. The old and tired U.S. empire does not like it at all, but there are so many things that it does not like that it cannot stop! Mitterrand came from the same north and supported Brazil and its debt. There are conflicts among the countries to the north. For example, everything that the Third World pays to the banks of the OECD (the economic organization that unites the United States, Japan, Canada and several European countries)--some $120 billion per year--is subtracted from purchases from the industries of the OECD. Japanese industrialists must know, for example, that if we stopped paying debt service and interest to U.S.

banks, perhaps we could buy more from Japanese industry....There are many, too many contradictions, even within each creditor country for us to carry out collective retaliation. Trade through those banks is not the only way to trade. At this time, for example, trade between Argentina and Uruguay is a real exchange. The account for imports and exports between the two countries should balance out to zero each 31 December. This not only does not require banks; trade of this type can be carried out even without currency. I am sure that not even the trade between the Querandies and River Plate Indians 500 years ago was such a perfect exchange. It is very possible that sometimes when the year ended, one of these tribes still owed a deer or rabbit pelt, for example, that would have to be documented with snails....

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Latin America Report

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INTER-AMERICAN AFFAIRS

JAMAICAN GOVERNMENT REPORTS ON OFFICIAL'S VISIT TO HAITI

Kingston THE DAILY GLEANER in English 6 Dec 85 p 2

[Text] The Minister without Portfolio of the Ministry of Foreign Affairs, the Hon. Oswald Harding, paid a visit of friendship to Haiti during November 26-28, accompanied by his wife and by Mrs Evadne Coye, Deputy Director in the Political Division of the Jamaican Foreign Ministry.

A press release issued by the Ministry said that Mr. Harding met members of the Haitian Government, specifically the Minister of State for Foreign Affairs, Mr. Jean Robert Estime, and Director General of the Haitian Institute of Arts and Culture, Mr. Gaston Hermantin; and representatives of the Haitian cultural and artistic fields.

Messrs. Estime and Harding met "in a climate of mutual confidence and understanding," in which they "held a wide-ranging discussion on questions of common interest concerning the political and economic situation in the regional and international fields."

"They particularly emphasized the grave difficulties which despite the economic recovery, continue to affect the majority of countries of Latin America and the Caribbean. They equally expressed the profound concern of their Governments about the current situation in South Africa and condemned the Apartheid system of Pretoria," the press release said.

Both Ministers manifested their Governments' desire to strengthen within the context of existing institutions, the development of mutually advantageous regional co-operation, and to promote the reinforcement of the regional integration process.

They also stessed the need to increase bi-lateral consultation in the area of foreign policy; and reaffirmed the strong determination of their Governments to obtain the maximum benefits from the Caribbêan Basin Initiative (CBI) through positive action.

They underlined the concern of both Governments about the situation in Central America and reiterated the total support of Jamaica and Haiti for the efforts actively deployed by the Contadora American crisis.

Both Ministers also reviewed the principal themes of the next sessions of General Assembly of the Organization of American States (OAS) as well as of the Latin American Economic System (SELA), on which there was a wide convergence of views between both sides.

In the bilateral area, they made a "deep examination" of Haitian/Jamaican relations and affirmed the mutual disposition and strong will of both Governments to increase exchanges between their countries in all fields and to reinforce relationsin the economic, cultural, educational, commercial, scientific and technological fields.

In this regard, both Ministers expressed the interest of their Governments to promote co-operation in the educational field and facilitate student-exchange between both countries.

For his part, the Haitian Foreign Minister stated his Government's interest in undertaking commercial exchanges with Jamaica particularly as concerns the exportation of handicrafts, paintings and other objects of popular art.

Both Ministers shared a constructive view on the concrete possibilities of co-operation in the areas of fishing and construction.

To achieve the above-mentioned objectives, they decided that a technical mission from Haiti should visit Jamaica early in 1986.

The Minister of State for Foreign Affairs of Haiti expressed his pleasure with the visit of friendship to Haiti by the Minister without Portfolio in the Jamaican Ministry of Foreign Affairs, to strengthen the relations which so happily already exist between both countries.

Mr. Harding, for his part, expressed his sincere appreciation to the Government of the Republic of Haiti for the warm welcome given to him and his wife. He offered his Haitian counterpart an invitation to visit Jamaica, which was accepted.

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CSO: 3298/267

INTER-AMERICAN AFFAIRS

PERU, CHILE ISSUE JOINT STATEMENT AFTER MINISTERS' MEETING

Lima EL COMERCIO in Spanish 30 Nov 85 p A-4

[Statement issued in Lima, 29 Nov 85]

[Text] At the conclusion of the 2-day working meeting between the foreign ministers of Peru, Allan Wagner, and Chile, Jaime del Valle, the following document was signed yesterday in the Torre Tagle Palace.

Joint Statement

On 28 and 29 November 1985, a working meeting was held in the city of Lima between the ministers of foreign relations of Peru and of Chile, Messrs Allan Wagner Tizon and Jaime del Valle Allende, respectively.

During his visit, the foreign minister of Chile was received by the president of the republic of Peru, Dr Alan Garcia Perez. Mr del Valle delivered to the president a personal letter from his excellency, the president of the republic of Chile, Gen Augusto Pinochet Ugarte.

The conversations of the foreign ministers took place in an atmosphere of great cordiality and were guided by a spirit of understanding and friendship, always bearing in mind that the closest agreement between Peruvians and Chileans will help their peoples to advance along the course of peace, cooperation, and development.

On this occasion substantive progress was made toward reaching agreements on matters discussed in the meeting between the two foreign ministers in the city of Arica in the beginning of November.

1. Decisions and positions were adopted on the complete execution of the fifth, seventh, and 11th clauses of the Treaty of Lima of 3 June 1929, and the second clause of its Complementary Protocol,

2. Concerning the harbor seawall facility built by Chile on behalf of Peru, the ministers decided that, without prejudice to the general administration which the Chilean authorities exercise over the port

of Arica, the autonomous operation of this seawall facility will be under the authority of the appropriate Peruvian officials.

3. Concerning the building intended to serve as the customs agency which has been built on the seawall, the government of Chile will make the expansions which have been agreed upon in order to provide more efficient service.

4. The site where the new terminal station of the Arica to Tacna railway will be built was decided. It will be aligned with the longitudinal axis of the harbor seawall facility, so that the two facilities will provide an integrated system for operation and use.

5. These facilities and areas form part of an integrated service system which the appropriate Peruvian authorities will operate independently of the provisions of the Treaty of Lima of 1929.

6. Without prejudice to the above statement, in conformity with the Treaty of 1929, Chile will maintain its sovereignty and jurisdiction over these areas and establishments.

7. The Peruvian officials appointed to administer the operation and use of the above-cited facilities will have a special foreign workers tax system applied to them.

8. Concerning the construction of the symbolic monument that will be placed on the headlands of Arica, the foreign minister of Peru expressed his government's approval of the design proposed by Chile. The foreign minister of Chile stated that his government will begin work on it as soon as possible.

9. The foreign ministers reached agreements to provide a definitive solution for the issues related to the existence of occupied real property owned by the government of Chile in Tacna and owned by Peru in Arica. According to these agreements, the government of Peru will concede these properties so that Chile may reopen its consulate in Tacna, and the government of Chile will guarantee the inviolable status of the Peruvian property in Arica, known as the "Bolognesi" and "Yanulaque" houses.

10. In compliance with what was agreed at the Arica session concerning meetings of top armed forces officers to begin discussions designed to limit spending on arms purchases, to promote mutual confidence, and the development of a concept of security appropriate for the close friendship and growing cooperation between the two nations, the ministers agreed that these meetings will be held alternately in Chile and in Peru. The first such session will be held in Lima

next May, between the commanding generals and commanders in chief of the respective armed forces, who will be advised by their foreign ministries.

11. The ministers adopted a decision to proceed with the preparatory treaties for the seventh meeting of the Joint Standing Commission on Peruvian-Chilean Cooperation which will be held in Santiago, Chile in March 1986, on the occasion of the visit by the foreign minister of Peru, in order to intensify the ties of cooperation and integration uniting the two nations. In addition, they noted with satisfaction the results of the fourth meeting of the Joint Standing Subcommission on Border Cooperation which was held recently, as decided at the working session held in Arica.

Foreign minister del Valle expressed to foreign minister Wagner his appreciation and that of the entire Chilean delegation for the warm and cordial hospitality and attentions which were paid them and their party during their stay in Lima.

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CSO: 3348/280

PERU, ECUADOR RENEW STUDY OF RIVER DEVELOPMENT PROJECT

Lima EL COMERCIO in Spanish 1 Dec 85 p 4

[Interview with engineer Biaggio Arbulu Galliani, head of the National Development Institute, by Manuel Cisneros Milla]

[Text] Question: What is the past history of the Peruvian-Ecuadorean use of this river?

Answer: In 1971 an agreement was signed by the governments of Peru and Ecuador to make joint use of the waters of the Puyango River (the name of the river in Ecuador) or the Tumbes River (its name in Peruvian territory). The water would be used to irrigate thousands of hectares of land and to generate electricity. To be more specific, on 27 September of that year they agreed to use the binational watersheds of the Puyango-Tumbes and Catamayo-Chira for the benefit of the national interests of both countries. They then agreed to unite their efforts for the reasonable and equitable use of the water resources of these watersheds.

Question: Why has there been a delay of nearly 15 years in beginning or continuing this project?

Answer: Regrettably, the problems which arose related to the Condor events in 1980 interrupted the meetings of the Binational Commission, but fortunately the meetings of the two national subcommissions have been resumed, and just a few days ago, the Joint-Peruvian-Ecuadorean Commission was able to reach a series of technical agrements, practically guaranteeing the viability of this project.

Question: Is it true that there were as many as 11 alternative proposals for the use of these waters?

Answer: That's right, and now there still are many parameters involved before reaching the final design, but the most important thing is that a decision has already been made for the definitive option. It will be an integral project that will enable us to make adequate use of the 3.5 billion cubic meters of water that now end up in the sea.

Question: How will our countries benefit from the use of this water?

Answer: The project includes the irrigation of no less than 36,000 new hectares in Peru and 50,000 new hectares in Ecuador. It will also generate no less than 40 megawatts (40 million kilowatts) of electricity for Peru. In addition, it will provide flood control for the Tumbes River in agricultural and urban areas, and increase the potential for the development of fishing, tourism, and navigation in the planned lakes, and provide a supply of drinking water for rural and urban areas.

Question: Getting back to the way in which the planning is being done, how many commissions are now working, and which projects have been initially planned?

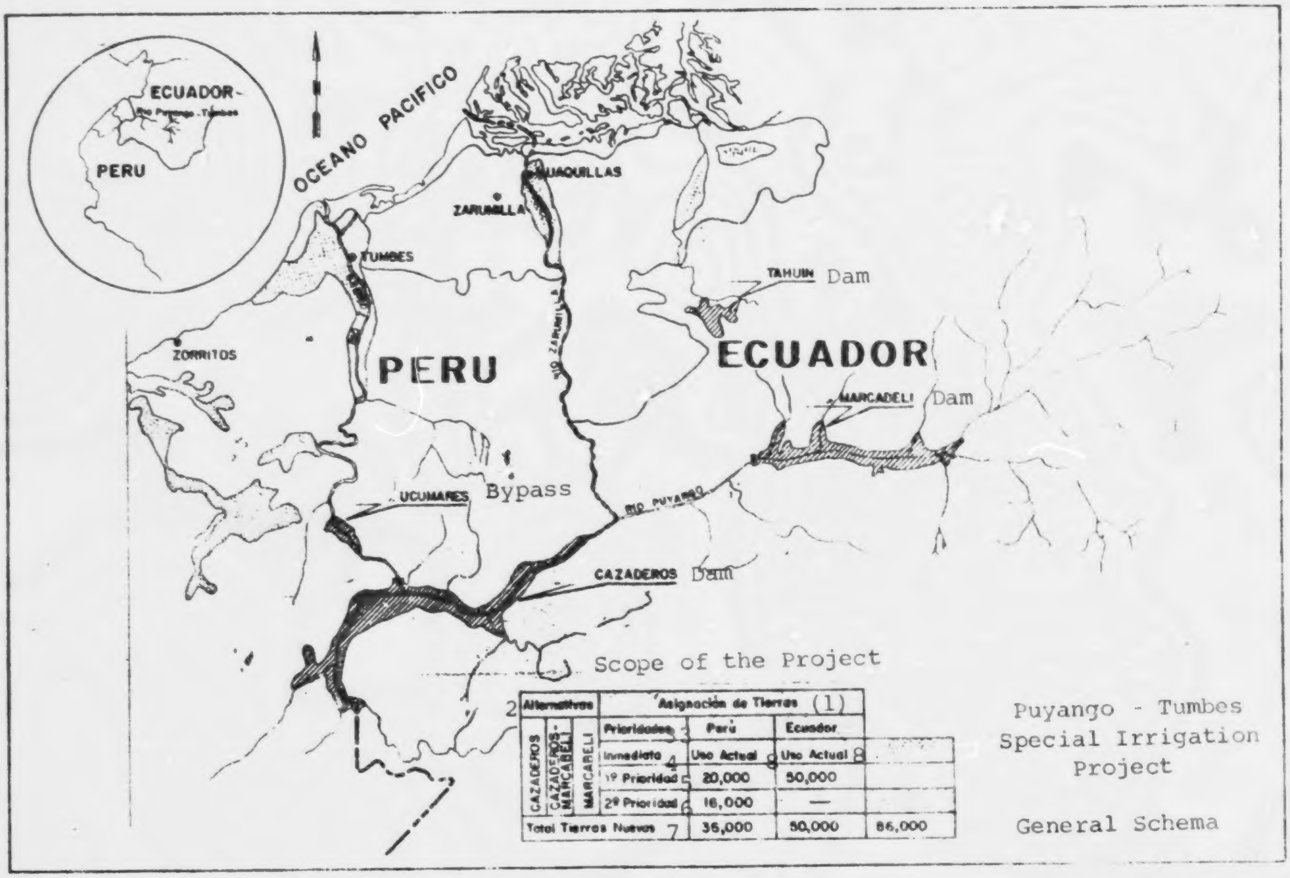
Answer: To handle this project, the two countries set up the Joint Peruvian-Ecuadorean Commission, which has two subcommissions, one Ecuadorean and the other Peruvian. The Peruvian subcommission is now chaired by the head of the INADE [National Development Institute], and its members are representatives from: the ministries of agriculture; energy and mines; industry, tourism and integration; the National Planning Institute; and the Joint Armed Forces Command.

The Joint Commission hired a consortium of consulting firms from the United States, Peru, and Ecuador to develop the various engineering alternatives that would make the project viable. They determined as the project's major components a dam in Ecuadorean territory named Marcabeli, with a capacity of 1.4 billion cubic meters, and another dam in Peruvian territory named Cazaderos, with a 3.2 billion cubic meter capacity. For the purposes of comparison, and to give you an idea of the size of this dam, remember that the Poechos dam, the dam with the largest capacity now in Peru, has a capacity of 1 billion cubic meters.

Question: Getting back to the latest meeting in Quito, what aspects of the project merited your special attention?

Answer: We have to point out that for a long time factors of a technical nature had blocked the approval of this project. This fundamental aspect was resolved at the last meeting in Quito. We should also mention the fact that, after 150 years, a Peruvian foreign minister made an official visit to Ecuador, and coincidentally with that visit, the Joint Peruvian-Ecuadorean Commission was reinstated, and received formal instructions to proceed with the project.

Question: What is the current status of the studies for this project?


ECUADOR
Rio Puyango - Tumbes
PERU
OCEANO PACIFICO
HUAQUILLAS
ZARUMILLA
TUMBES
ZORRITOS
PERU
RIO ZARUMILLA
TAHUIN Dam
ECUADOR
MARCABELI Dam
UCUMARES Bypass
RIO PUYANGO
CAZADEROS Dam
Scope of the Project
Puyango - Tumbes
Special Irrigation
Project
General Schema

Alternativas 2			Asignación de Tierras (1)			
CAZADEROS	CAZADEROS-MARCABELI	MARCABELI	Prioridades 3	Perú	Ecuador	
			Inmediata 4	Uso Actual 8	Uso Actual 8	
			1º Prioridad 5	20,000	50,000	
			2º Prioridad 6	16,000	—	
Total Tierras Nuevas 7				36,000	50,000	86,000

The Puyango-Tumbes Project will benefit major areas along our borders.

Key:
1. Land allocation
2. Alternatives
3. Priorities
4. Immediate
5. First priority
6. Second priority
7. Total new lands
8. Current use

Answer: The IDB [Inter-American Development Bank] is now analyzing the requirements determined by the Joint Commission in order to finance the detailed studies. In addition, the national subcommissions have agreed to meet in an ongoing manner in the area of the project, as they have been doing since last week.

Question: What specific areas of Peru and Ecuador will benefit from the completion of this project?

Answer: On the Ecuadorean side, the Arenillas area will receive water from the Puyango, and on the Peruvian side, the area between the right bank of the Tumbes River and our border at Aguas Verdes. It will also be possible to irrigate part of the left bank of this river, in the areas of Rica Playa, Pueblo Joven, La Bocana, and Casitas up to the Zorritos area.

We must say that this project is part of the policy of giving priority to the agricultural sector, as stipulated by the state constitution, for it will permit a major expansion of the agricultural frontier in an area like Tumbes, which is losing farmlands, as this land is becoming--partially--a shellfish area.

Question: What is the timeframe for the project's execution?

Answer: That depends on the priority assigned to it. We in the INADE are prepared to work fast on everything related to the engineering work, as there are many studies, calculations, and much research still to be done. If the proper priority--which in our view this project deserves--is granted, then the studies for which we are responsible will be completed within a maximum period of 1 and 1/2 years.

Question: How much will this project cost?

Answer: It will cost Peru $250 million over a 4-year period, plus 1 and 1/2 years for studies until the project can be completed.

Question: It also seems to us that this project is of particular importance in terms of our relations with our neighbor to the north.

Answer: That's true, since we will have an opportunity to work together on a project of benefit to both of us. In addition, in this area we have no problems with border disputes. We believe that our peoples will work together to achieve the development they deserve. Our relations will become closer and more fraternal through this type of project. So we have great enthusiasm for translating into reality an idea that began to germinate 15 years ago.

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CSO: 3348/280

TENSIONS IN U.S.-BRAZILIAN RELATIONS EXAMINED

Rio de Janeiro O GLOBO in Portuguese 9 Jan 86 p 3

[Editorial: "Contrived Tension"]

[Text] Brazilian-U.S. relations are particularly tense because of problems in three areas: 1) the monopoly on the computer market, which is a bilateral dispute; 2) the upcoming GATT negotiating round, which is a multilateral dispute; and 3) the foreign debt.

The attitude of Itamaraty and other government sectors is increasingly challenging and less conducive to dialogue with our largest trade partner and main creditor.

The bilateral dispute has its source mainly in the protectionist pressures of the U.S. Congress. These pressures have been resisted by President Reagan, as he did in the case of Brazilian shoes. But the fact remains that President Reagan hurriedly invoked Section 301 of the Commerce Law in the computer case with Brazil, which in fact created a situation that should be side-stepped rather than made worse. The Americans know that the Brazilian Government does not have much room to maneuver on account of the Brazilian Informatics Law. But there is no other way than to go through with the ritual of discussing the problems between the two countries, at least to simply affirm their respective positions again.

However, there are sectors in the Brazilian Government that are reluctant to talk, because they consider talking to be a sign of weakness that is detrimental to national sovereignty. Or perhaps this reluctance is no more than a behavioral expression of an inferiority complex.

The Americans are proposing a meeting for late January or early February, anywhere in the world and dispensing with publicity. They need to hold that meeting to comply with the formalities of their law. To refuse to attend a meeting, even just to confirm the Brazilian position, will leave the way open for a virtually imperative retaliation. And then, if that retaliation is imposed, the fact will be exploited here and will lead to reciprocal recriminations that will poison relations between the two countries, which seems to be the objective of some officials.

Foreign Minister Olavo Setubal, who has already entered the electoral campaign, might not exert himself to bring about a reasonable solution. Ambassador Correia da Costa, in turn, does not seem to be warning Itamaraty sufficiently about the risk of a more serious cooling of relations with the United States. And those who want to see the circus catch fire can hardly wait.

The U.S. answer should be given in the next few days. If the answer is negative, it will just create a stalemate and upset relations.

At the new round Of GATT negotiations, the United States wants to extend the GATT rules, now applied to goods trade, also to the service trade. Leading a group of underdeveloped countries, Brazil has been stoutly opposed, since 1981, to even discussing the matter, thus creating a climate of confrontation with the Americans. The latter mainly complain about the unnecessarily aggressive and inconsiderate rhetoric of the Brazilian representatives.

On the foreign debt issue, it is obvious that the U.S. good offices (those of the Treasury and Federal Reserve Board) before the banks, the IMF and the World Bank, are relevant for conducting the negotiations. Misunderstandings, unwarranted rhetoric, and lack of courtesy do not help and only contribute to a crisis situation that may lead to what the leaders of the bank functionaries are avowedly seeking: the nationalization of banks, as happened in Mexico in 1982, forced by the crisis.

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CSO: 3342/59

ENAER TO SELL MISSILE TEST STANDS

Santiago LA NACION in Spanish 5 Dec 85 p 40

[Text] In the next few days, ENAER [National Aeronautical Enterprise] will begin to deliver the first 10 Pillan training planes of a total of 40 purchased by the Spanish Aviation School. It is also talking to other industrialized countries interested in buying the missile test stands made in Chile. Our country is building electronic war materiel at a cost eight times lower than on the foreign market. This is only made in six countries.

This was announced yesterday by General Fernando Matthei Aubel, commander in chief of the FACH [Chilean Air Force] and member of the Government Junta. He gave a talk on "Projection of the FACH and its relationship with national development" in which he pointed out the advances achieved by that institution, especially on the professional and technical plane and in the construction of airplanes.

Now

Gen Matthei said: We have now achieved a complete system of which we are openly proud. It has been created in order to manufacture well what we think is essential in times of conflict: rapid intervention with a resolute and superior force even when, in general, we are clearly inferior to any of our neighbors; and concentration of our means in order to intervene rapidly and effectively anywhere within the required time.

He added: I believe we have achieved a decisive advantage despite having human and material means inferior to the forces of any of our neighbors. We have probably spent one-fifth or one-fourth of what they have spent.

However, we are convinced that we have sufficient capacity to defend what is ours. However, he emphasized, we hope that it will never be necessary to use it.

As to the development of the FACH, he said: "We do not want to spend the patrimony of all Chileans in order to have something large and showy. We want to have a strictly necessary Air Force to fulfill the function of defense. It will never be a threat to anyone, to any neighbor, but will force them to think twice before deciding to attack us and, after thinking twice, decide not to attack."

He emphasized: "In this way, we will have preserved peace which is what interests us most. Then everyone can, through his efforts, contribute to the development of our nation and make it great, not with territorial conquests which do not interest any Chilean, but with the conquest of markets which interests all of us."

ENAER

Referring specifically to ENAER, he indicated that the idea is to compete at the international level and reduce costs at the national level.

He stated that about 25 percent is saved in dollars for the Casa airplanes. As to the Pillan planes which are being manufactured with national and imported parts but using only Chilean technicians, they respond to the same formulas that are being used in other countries like France, Poland, and Yugoslavia, but at a much lower cost. The Pillan is the first of this series.

Although it does not have prestige yet in the international market, Gen Matthei said, we have already sold one shipment of 40 airplanes to Spain. We think our quality control is the most advanced now at the level of a military aeronautical industry.

Stating that Chile is in the position to export these airplanes on a larger scale, he reported that there are other industrialized countries interested in acquiring the missile test stands which ENAER is manufacturing. They have a much lower cost than those that are being sold on the market ($9 million) and are better than those that the country that makes the missiles is manufacturing.

He added that we are introducing our electronic war materiel, a system that has been developed at one-eighth the cost of what is being sold internationally.

Only six countries now make with this equipment, according to Gen Matthei, adding that Chile will be able to join this club.

As to armaments and explosives for the FACH, he stated that the Cardoen industry is supplying the institution. It no longer has to beg tc buy them abroad.

How far we reach with our industry, he said, will depend on us. We must work to conquer new markets. There is no other alternative.

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CSO: 3348/284

CHILE

CORFO MANAGER DISCUSSES SALE OF STATE ENTERPRISES

Santiago HOY in Spanish 2 Dec 85 pp 35-36

[Interview with Major Jose Martinez Munoz, normalization manager of CORFO, at his office; date not specified]

[Text] Army Maj Jose Martinez Munoz (37 years old, married with one son) is very clear about his responsibility in the delicate process of selling 30 percent of the assets of a group of major state enterprises. As normalization manager of CORFO [Production Development Corporation], he was assigned to develop and supervise the operation. He is not the least bit affected by criticisms that have arisen, especially from opposition sectors.

He is prepared to answer any question about the sales procedure, but not questions about the government's philosophy and objectives in undertaking the plan. Maj Martinez Munoz states his position as a technician. When he answers questions of this nature, he automatically goes to the operational level. This might be due to his long economic career in the military.

It could be said that Maj Martinez Munoz has only spent 50 percent of his short career in the military after starting in the Armored Cavalry in 1969. The other 50 percent has been spent in many positions in the economic sector. In 1979, he was technical secretary and cabinet chief of the Undersecretariat of Economy. He became adviser to the Undersecretariat of Finance in 1980, cabinet chief and alternate under secretary of economy in 1981 and 1982, secretary of coordination of ODEPLAN [National Planning Office] in 1982 and 1983, and then normalization manager of CORFO.

He received a master's in economic sciences (U. of Chile) and was director of several state enterprises (SOQUIMICH [Chilean Chemical and Mining Association], LA PRENSA newspaper, Proquim-Enaex, the Telephone Company, ECOM, and the Railroad). He was also chairman of the Antimonopoly Prevention Commission in 1981 and 1982.

He received HOY at his CORFO office, ready to tell the public about the process to sell shares of state enterprises.

[Question] What is your opinion on the progress of the process to sell shares?

[Answer] I am in charge of the process since I am the head of the CORFO unit assigned to carry it out. The policy was defined at top government levels and is executed here. Well, you asked me for my personal opinion.

[Question] Not exactly, just what you observe from your key position.

[Answer] The process began with the promulgation of Law 18.398 in January 1985. In order to carry out the procedure, it was necessary to reformulate that law, dictating Law 18.420 last July. They assigned me this work in May. The preliminary work to sell shares of those basic branches of CORFO that demonstrate profitability began then.

[Question] What has been the public's reaction since the process began?

[Answer] In my opinion, it has been positive. That does not mean that there have not been some obstacles or that there has not been disagreement with the execution of this policy in some sectors.

[Question] What obstacles have there been?

[Answer] The first snag was the sale of shares to the workers of the enterprises through advance payments. At first, many unions expressed suspicion and said that they were not informed about the procedure. This led them to oppose it initially.

[Question] Wasn't the announcement of the start-up of this procedure too sudden for them?

[Answer] I think that the snag was caused by a lack of information. The workers first thought that this was going to be required by law, that they would be forced to exchange their compensation for shares. In other words, they thought that these shares would be legally forced on them. This was all solved when the vice president of CORFO met with all the workers of the branches and told them that this was strictly voluntary.

[Question] What has happened with the sale of shares to the AFP [Pension Fund Administration Boards]?

[Answer] The snags have been almost exclusively administrative. The pension funds do not yet have the capacity to administer a stock portfolio. They are used to administering more stable investments. Incorporating shares into their portfolios presents new challenges because they have to adapt their investment committees and their structure and do a different type of study. That does not mean that the AFP do not want to make these new investments.

I would say that, sooner rather than later, the pension funds will incorporate major assets in shares.

[Question] Why are you so optimistic?

[Answer] Well, because eventually state support for the investments of the AFP will have to end. For example, state insurance for fixed-term deposits will eventually have to end and eventually the state will have to decrease its debt level with the AFP. The pension funds must diversify their investments.

[Question] Have there been snags other than administrative ones?

[Answer] Yes, but only in how the procedure is applied. The shares of CORFO enterprises that have been defined as sellable must meet a number of requirements before the Superintendency, through the Risk Classification Commission, issues a pronouncement. The process begins with a positive classification. Then there must be a decentralization agreement in which the state says: I "irrevocably" sell at least 30 percent--it can be more. The state can never recover these shares or recover its original percentage of assets. Later, the statutes are amended and the Superintendency, through the DIARIO OFICIAL, ratifies the final resolution which permits the pension funds to buy the shares.

We can carry out this entire process easily in 3 or 4 months. So far the only enterprises that have cleared all the hurdles are the three branches of CHILECTRA [Chilean Electric Company, Ltd.] and ENTEL [National Telecommunications Enterprise].

[Question] What enterprises are now being studied?

[Answer] The Telephone Company, SOQUIMICH, CAP [Pacific Steel Company] Huachipato, and Laboratorios Chile. Next year ENAEX [National Explosives Enterprise] and ENDESA [National Electric Power, Inc.] could be added. Probably 100 percent of ENAEX will be sold.

[Question] Why?

[Answer] Because CORFO has not declared ENAEX a basic enterprise.

[Question] But it is strategic since it has a monopoly over the production of explosives in the country.

[Answer] I would like to explain a difference in concept. It is not appropriate to speak of strategic enterprises here because it is a military term. When General Luis Danus was vice president of CORFO, he changed the name strategic to basic. The word strategic was considered inadequate to describe these enterprises. During his time, those enterprises that the state was going to retain possession of for various reasons were defined as basic.

[Question] What are the main reasons?

[Answer] I would say...mainly constituting a natural monopoly.

[Question] Are there other reasons?

[Answer] All the enterprises declared basic are not necessarily natural monopolies. They were included in this category because they fulfill some role of service to the community that other enterprises do not provide.

[Question] What are other reasons?

[Answer] Well, SOQUIMICH was declared basic because it was a deficit enterprise. Since it was /the big/ [in italics] industry in the north, it was necessary to continue supporting it for social reasons, to maintain a source of employment for the people of the north. It was different with ECOM which, at that time, was the big computer enterprise in the country. It provided a public service when this activity began to develop in the country. However, ECOM has already fulfilled that role, is no longer basic, and was sold to its workers.

[Question] Are all these details about the advantage or disadvantage of becoming private discussed at the executive levels of CORFO or does the order simply arrive?

[Answer] No, it is discussed and the results are communicated to the top authority.

[Question] What were the main arguments to make 30 percent of the basic branches private?

[Answer] The main argument was to give the pension funds a new source of investment, to decrease the debt to the Treasury. This idea began in the AFP Superintendency in 1983 when there was a high concentration of investments in public bonds.

[Question] Who will receive the money from the sales of shares?

[Answer] It is estimated that a total of about 60 billion pesos will be obtained. Half of this which should be collected between now and the end of 1986 will go to the Ministry of Finance to finance the budget. The other half will remain in the hands of CORFO to develop new investment projects or, rather, support the private sector with new lines of credit.

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CSO: 3348/284

NINE LEADERS SUBMIT DOCUMENT PROTESTING SALE OF STATE ENTERPRISES

Santiago HOY in Spanish 11 Nov 85 pp 36-40

[Text] Although its public dissemination has been limited, the document which a group of nine professionals submitted to the vice president of CORFO [Production Development Corporation], Gen Fernando Hormazabal, requesting that the sale of stock in state enterprises be suspended, seems certain to have some profound repercussions.

The signers--Hernan Bosselin Correa, Luis Pareto Gonzalez, Ramon Briones Espinoza, Alberto and Adolfo Zaldivar Larrain, Eric Campana Barrios, Ernesto Vogel Rodriguez, Pedro Araya Diaz-Valdes, and Jose Ruiz de Giorgio--summarized the serious reasons they have for believing that the sale of shares in companies as important as CHILECTRA [Chilean Electric Company, Ltd], ENDESA [National Electric Power, Inc], ENTEL [National Telecommunications Enterprise of Chile], CAP [Pacific Steel Company], the Chilean Telephone Company, ENAEX [National Explosives Enterprise], SOQUIMICH [Chilean Chemical and Mining Company], and Chile Laboratories is in contradiction with a number of important historic and strategic precedents related to our national interest.

The full text of the document follows:

In essence, they request that the sale of shares in public enterprises be invalidated.

a. They point out that the AFP [Pension Funds Administration Boards] are at the present time unable to acquire shares in these enterprises.

b. They indicate that these transfers will have an impact on new rate increases for public services.

c. They claim that, because of the current recession, the stock will be sold at prices detrimental to the public interest, and lower than its price if the nation were in a normal economic situation.

d. They mention the eventual denationalization of public enterprises.

First Attachment: They request that letters be written to the Supreme Court and the office of the superintendent of the AFP,

Second Attachment: They enclose documents attesting to the existence of pending lawsuits.

Brig Gen Bernando Hormazabal Gajardo, executive vice president of CORFO:

We, the citizens signing this presentation, making use of the right to petition, and acting in accordance with the appropriate legal provisions of the administrative statute, decree with force of law no 333 of 6 April 1960; with legal domicile listed in Santiago, Calle Doctor Sotero del Rio, no 326, office no 904, hereby state to the minister/executive vice president of CORFO:

1. We are writing to you in your capacity as executive officer of this corporation, in regard to matters that are now of concern to the Chilean people, and which are of course affected by economic policies made by the institution for which you are responsible.

Arrangements have been made for the sale of a large part of the following public enterprises, which are subsidiaries of CORFO: the Telephone Company of Chile; Chilectra Metropolitana; Chilectra Generacion and Quinta Region; ENDESA; ENTEL; SOQUIMICH; CAP; ENAEX; and Chile Labs.

2. These enterprises were established by CORFO to serve as fundamental supports for our national development, and they were financed with the savings of several generations of Chileans. The majority of these enterprises are monopolies and provide essential public services to the people of Chile.

At the time they were founded, it was believed--and rightly so--that the tasks performed by these companies required that the state handle these functions.

So all of them have a public heritage, that is, one which was formed through the contributions of our national community, and generations of skilled workers, technicians, and engineers trained by the state have taken part in their formation and development. Their legal status is covered by public law, even though in their economic dealings they are governed by private law.

Their performance has been satisfactory, with the exception of their rate policies, for reasons and during periods of time that everyone knows. This demonstrates that the management services of the state are not necessarily inefficient, as a certain economic school has repeatedly maintained. In addition to their satisfactory record, the state enterprises as a whole have been good economic investments: in 1983 they provided 20 percent of the nation's total investment, amounting to $400 million. During the first halves of both 1984 and 1985, their operating results--in other words their sales--were high, and we are aware that, according to a study made by your corporation's Enterprise Management Service, the basic subsidiaries had combined profits--stated in pesos as of 30 June 1985--of 25 billion pesos. This figure is 45.5 percent higher than the profits earned during the first 6 monthsof 1984; sales had grown by 14.7 percent, a level higher than the growth in operating costs. If these enterprises were privatized, the state would no longer receive a considerable sum of revenue from surpluses in these enterprises, which now finance the major part of the shortfall in Chilean savings and investment. During the 1980-1984 period these enterprises turned over to the state, their owner, surpluses of $2,315,000. With the partial sale of this property, of some of these enterprises to private financial groups, it will be those private groups which will benefit, and in the long term, they will come to have an important amount of control over our economy.

It is of interest to mention that, in the situation briefly described above, on which it is unnecessary to dwell at greater length, as it is public and common knowledge, it was decided--in the first phase--that a large part of the capital shares of these companies--up to 30 percent--would be sold to the private sector.

3. We have come to this conclusion for the following reasons: this percentage of capital of these public enterprises will be acquired, as currently programmed and publicly announced, by the Pension Funds Administration Boards, which are responsible for the management of funds deposited in them.

First of all, since these funds belong to the affiliated workers, it has been alleged that it would be "the workers" who would come to be the owners and administrators of the enterprises which it has been decided to sell. Of course, it is said, if the workers are the owners of the monies deposited in the Pension Funds, and stock is purchased in the public enterprises mentioned, using those funds, then it will be the workers who will truly be their owners.

Unfortunately, though, that is a sophism, as the reality is different.

It is a fact that the most vital and interesting question about any company is: "Who runs it? Who manages the company?" In the real world, the people who serve as directors and managers of the company are the ones who hold the power.

4. The pension funds are administered by the Pension Funds Administration Boards, S.A. The majority belong to and are at present managed by different financial groups. It is not the workers themselves who hold the decision-making power in these companies; still less is it the affiliated workers who direct and manage them.

At this time we are observing government action designed to sell shares of the AFP to the investing public in a massive operation called "peoples capitalism," which would supposedly distribute the capital in order to make ownership more democratic.

Nonetheless, this so-called "peoples capitalism" is merely concealing a real economic dirigism: dirigism by financial groups, by major administrators of money (which were earlier given responsibility for handling retirement funds for Chile's workers... "funds that are going to be on the order of $25 billion to $30 billion, the long-term accumulated capital; this is going to be over half of the nation's savings, of Chile's wealth," the AFP superintendent, Juan Ariztia Matte, told the weekly publication ERCILLA on 18 September 1985. These groups will be the ones that will actually have a very important representation in our public enterprises, whose stock they are claiming to sell, and as such, they will have broad powers to control their activities.

These shares are not being sold to just any private sector, but rather to small groups of person with financial power, and the ability to manage major outside funds.

5. All the public enterprises mentioned in this presentation have been classified as "strategic"; that is, they perform jobs and engage in actions in which the nation's greatest interests and public necessities predominate.

These enterprises perform basic tasks for the community in such a manner that they complement [the government's role]. They were founded so that the state administration can carry out its own essential functions.

These functions, which are concerned with the satisfaction of public needs, can not be turned over in such a large-scale manner to the financial authorities, especially when these very authorities have shown themselves to be inefficient in the management of their own enterprises, which could not have survived without the timely cooperation of the Central Bank.

6. We are in favor of a mixed economy, in which each sector plays its own role, but the present scheme and the policies to sell shares are very far from such a concept. This is a policy of simple, but covert, dirigism by major financial groups, working against the nation's overall interests.

If it were to become a reality, the sale of these share packages would end by creating a situation that would become extremely irritating. The unprofitable business deals made by the financial authorities would be paid for by the state of Chile (we just have to think of the external debt and the internal debt!), and the state's profitable activities, those which deal with areas that are vital for the nation and which have captive markets, would be transferred to those very same inefficient financial authorities.

7. On 23 August 1985, you sent a letter to CORFO's subsidiary enterprises, in which you explained the reasons which, in the government's view, would justify the sale of stock.

In that letter you advanced only three types of arguments in support of such a decision:

a. To provide access to the capital of those enterprises for a large number of investors, while expressly stating that the sale is being conducted for the AFP, which are the specific destinees of the measure;

b. The undemonstrated efficient management of the latter companies; and

c. For the purpose of using the resources collected for major investment projects.

8. From the information contained in the preceding paragraphs, we see unequivocally that such arguments lack any solid basis and are merely an extreme ideologization of economic policy in practice. It has been shown that small investors, and certainly not the workers, will not be the people who will purchase the stock that attempts are now being made to sell.

It would appear that CORFO is unaware of some important facts that are public knowledge: the major part of the Chilean population is not saving; people are postponing borrowing and selling assets, even personal property, in order to survive. In Chile unemployment and a lack of liquidity are rampant. Over 80 percent of our population earns less than 20,000 pesos a month; for this reason, it is very difficult, if not impossible, for the average Chilean to be able to purchase stock in state companies through this "peoples capitalism," even though the retirement benefits laws have been maneuvered so that he can mortgage his future compensation for this purpose.

The only real possibility--the other is just a mere speculation--is that these shares will be acquired by using funds deposited in the Pension Funds, and very possibly, by foreign investors.

Since the majority of the Pension Funds are administered by financial groups, the actual control--not theoretical, which is of little importance--will be vested in those with power in these financial centers, one of the cornerstones of the capital market designed by monetarist economists.

9. CORFO has said a great deal about the advisability of the Pension Funds Administration Boards becoming co-owners of these public enterprises, so that they could bring a supposed input of efficiency to the management of these state enterprises.

This is an idle pretense; the Pension Funds Administration Boards have not demonstrated any such efficiency. At the present time, a number of civil courts in Santiago are hearing suits brought against some major AFP, for the improper use--in the opinion of the plaintiffs--of what is called the "additional payment." Moreover, the Fifth Criminal Court of Santiago is now trying a criminal suit for misappropriation against another of these companies.

In these suits--for which we have attached records to this presentation--the use which the administration boards have made of the remainder of the "additional payment" is being debated. That differential has not been used to increase the holdings of the affiliated workers, but rather as ordinary income of the administration boards themselves, in violation of both the letter and the spirit of Decree Law no 3,500 and the regulation issued by the chief of state, and also in violation of article 10 of the latter, as the money has not been deposited in the individual accounts of the affiliated workers.

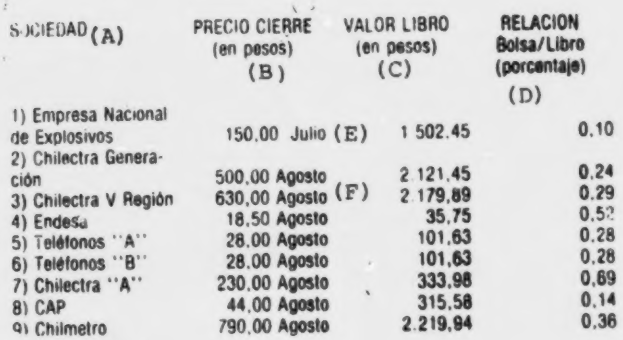
This problem, which has been submitted for the ruling of the courts of justice, has two important effects: if the plaintiffs' suit is upheld, none of the Pension Funds Administration Boards would earn profits, so their legal status would be one of insolvency. If they were not allowed to use the differential of the "additional payment" for their own benefit, the yield from the Pension Funds would be adversely affected and their high profits, of which there has been so much talk, would vanish like smoke, leaving behind complete bankruptcy.

As these cases are still pending, and as the resolution of this dispute has been turned over to the courts, it is unacceptable and highly dangerous to attempt to put into practice a policy that will mean transferring shares from the entire community to businesses whose profits, efficiency, and viability are now under discussion in the courts, whose ruling will have to be respected.

10. At the present time, the sums of money under dispute, without prejudice to any other damages, amount--approximately--to 16 billion pesos.

But there is still more to come: it can not be overlooked that we are in the grips of a severe and merciless recession. This recession has had many damaging consequences, one of which we can not neglect to mention, as it directly threatens the plan under discussion: in recessionary periods the price of stock is depressed. For this reason, no matter how the stock valuations are made, the capital stock of public enterprises will be offered for sale at ridiculous prices, with the consequent damage to public interests and the nation's assets. No one can fail to realize that the recession affects the price of stock by considerably reducing its value. In order to corroborate this assertion, it is sufficient to watch the price of stock of corporations traded on the Stock Exchange. So this is not an appropriate time to sell, as it will mean giving a subsidy to the stock's purchasers, a policy that was followed in 1975, and which later failed catastrophically.

In support of the preceding statements, we will examine the trading prices and the book values, based on the Monthly Report of the Santiago Stock Exchange.



SOCIEDAD (A)	PRECIO CIERRE (en pesos) (B)	VALOR LIBRO (en pesos) (C)	RELACION Bolsa/Libro (porcentaje) (D)
1) Empresa Nacional de Explosivos	150,00 Julio (E)	1 502.45	0,10
2) Chilectra Generación	500,00 Agosto	2 121,45	0,24
3) Chilectra V Región	630,00 Agosto (F)	2 179,89	0,29
4) Endesa	18,50 Agosto	35,75	0,52
5) Teléfonos "A"	28,00 Agosto	101,63	0,28
6) Teléfonos "B"	28,00 Agosto	101,63	0,28
7) Chilectra "A"	230,00 Agosto	333,98	0,69
8) CAP	44,00 Agosto	315,58	0,14
9) Chilmetro	790,00 Agosto	2.219,94	0,36

Key:

A. Company
B. Closing price (in pesos)
C. Book value (in pesos)
D. Stock Exchange sale price/book value relation (percentage)
E. July
F. August
1. ENAEX [National Explosives Enterprise]
2. Chilean Electric Power Generating Company
3. Chilean Electric Power Fifth Region
4. National Electric Power, Inc.
5. Telephones "A"
6. Telephones "B"
7. Chilean Electric Power "A"
8. Pacific Steel Comany
9. Metropolitan Chilean Electric Power Company

As may be seen from the above table, the selling price of this stock, in line with the general trend, shows a distinct difference from the book value. CAP is quoted at only 14 percent of the book value; ENDESA at 52 percent; ENAEX at 10 percent, Telefonos at 29 percent; Chilectra Generating at 24 percent; Chilectra Fifth Region at 28 percent, and Metropolitan Chilectra at 36 percent. All of this reveals the existence of a definite subsidy favoring the stock purchasers.

If those same trading prices are maintained for the stock transfers being promoted to the AFP and to foreign investors, they would be making property transfers that would be severely detrimental to our national property.

11. You also stated in your letter that the new co-owners of the public enterprises would be able to participate in the appointment of directors, and based on the number of their shares, could elect representatives who would watch over their interests and keep them directly informed about any matters of interest to them.

This question must be asked: what are the interests of the Pension Funds Administration Boards?--and let us emphasize, the interests of the boards and not of the affiliated workers, who have nothing at all to do with their management.

Recent experience demonstrates, and you will agree with this, that these commercial ventures are only trying to earn high returns--profits--in order to later distribute them to their partners--who are distinct from the affiliated workers--who comprise the financial powers of Chile. These interests will unquestionably apply pressure for higher prices--rates--for public services. This means that this transfer will be detrimental to the population, and the people will soon find that telephone and electricity rates and fuel prices will go up even faster than they do now.

12. In an interview with a Santiago weekly, you said that "the sale has been arranged in three ways in order to cover all sectors, so that all interested parties, both Chilean and foreign, may be able to buy this stock."

Thus, foreign multinationals and other companies, by means of this convenient and profitable purchase of part of the capital shares of enterprises belonging to the Chilean state, will be able to participate in activities which, without any question, are strategic. To be more specific, they will have access to some of the nation's most profitable activities, activities linked to the essential interests of the entire community.

This is an attempt to denationalize state enterprises and strategic roles, which is not in harmony with the concept of public order, and still less with the concept of national security, understood in its proper sense. It is sufficient to examine the functions of any of the enterprises threatened by these measures to corroborate the truth of this assertion. Wouldn't it affect our national interests for foreign companies to have access to the National Explosives Enterprise? Wouldn't it be potentially dangerous for foreign groups to be able to intervene in ENDESA and ENTEL, which are so closely linked with energy and telecommunications, activities which are vital factors in our nation's true security?

Mr Minister, how would international public opinion react if it were to learn that the U.S. government was going to sell part of the capital stock of an agency like NASA? What if the entire electricity generating and distribution system of the capital city of a nation with a great deal of political unrest were to be turned over, along with its secret technology, to the knowledge of interests not subject to internal control?

It must not be forgotten that our state enterprises are the result of a carefully thought out and necessary collective resolution. It is not by mere whim, but rather a necessity that these enterprises should carry out, and in other cases, support the work of promoting the community's welfare

If it is undesirable for national financial groups to interfere with the decisions of these state enterprises, the interference of multinationals in the accomplishment of duties that are the responsibility of the state or its agencies is doubly unacceptable.

If such interference were to be tolerated, this would lead to the conclusion that the present administration had to delegate part of its constitutional obligations to foreign persons and/or agencies. This would obviously be a transgression against public order and against our national economic security.

13. Among the foundations and objectives cited for this stock sale is the claim that it would "free capital needed to carry out major projects of interest to our national community."

We don't understand this: in your letter of 23 August 1983, you said that the majority of the Pension Funds' resources are now invested in state securities, and therefore, in order to be able to use them for national projects, it is not essential to transfer property of public interest that is as highly valued as stock in our state enterprises. If, in order to finance national projects--which projects is something the nation does not know--we need to resort to the expedient of alienating capital stock, that would amount to pursuing a very erratic course. Such singular logic could in the near future lead to the sale of other or all state properties. State property must not be sold, for it affects the very essence of our national being.

But the interesting part of this point is that the financing of economic projects can not be subject to measures of a legal-accounting nature, but rather to the investment rate. This rate is not going to increase by transferring assets or by shifting monetary resources from one economic sector to another. Therefore, this measure has no other motivation but to present to the IMF and foreign banks a fiscal deficit within the limits allowed by Chile's foreign creditors.

National savings will not grow like this. Technically, the purchase of stock is not investment. Investment occurs because of or along with real growth in the economy. What are these major projects of interest to the community? If they will require producing such a substantial change in the structure of CORFO's subsidiary enterprises, which are state property, shouldn't the national community have been told in advance about the specific programs that could be carried out, and given exact information on their financing and feasibility?

14. As if all this did not seem sufficient, additional thought about the status of our private sector in general, and the economic-financial groups in particular, ends in eliminating any merit that some persons are trying to prove in this measure which CORFO has approved.

The indefinite status of a large group of financial and manufacturing enterprises is well known, and is of concern to large sectors in Chile. To date, after the bank intervention of 13 January 1983, these sectors still remain under joint management by state officials, semi-official government representatives, and agents from the old conglomerates.

No clear policy has yet been devised for this economic sector. Because of its size, it probably exceeds in importance the stock packages that attempts are now being made to sell. Today they remain in fact under state control, even though legally their status seems uncertain.

This situation has placed a strong element of contradiction in the economic policy now being examined. While on one hand, state control of enterprises which are mostly not strategic is being significantly increased, on the other hand, the state seems to be selling enterprises that are strategic in nature.

It seems to us that the private sector, along with the authorities, should first deal with the problem of this area of diffuse or transitional ownership, before trying to join with the state in the present strategic enterprises.

Not acting in this way not only means, as we said earlier, leaving the state holding the unprofitable businesses, while it sells off its profitable ventures, but it would also increase the confusion reigning in the public economic sector, which now seems intolerable, and is definitely a brake slowing down the recovery of our national economy.

15. Finally, Sir, let us mention one contradiction; your letter stated that these measures will "introduce administrative efficiency in the operation of state enterprises," but some lines earlier, you had said that these enterprises--the state enterprises--"are considered, because of the size of their investments, the number of people working for them, their profits, and their good management, to be among the most profitable and most solvent businesses in the nation."

If, as you say, these enterprises are already efficient, why sell part of their stock to achieve an objective that has already been attained?

Why experiment by selling stock to the Pension Funds Administration Boards, which are fairly new institutions, whose technical and financial planning are doubtful, and whose track record in terms of pension payments is unknown?

Why sell institutions created from the efforts of our entire national community to foreign companies whose interests are not necessarily in harmony with our public interests?

Why begin at this point in time a highly ideological privatizing process with no real justification, the product once again of the neoliberal economic policies that have only created chaos in our economy?

Why sell part of our valuable national economic property, as this so strongly clashes with the authentic nationalist feelings of the great majority of the Chilean people?

Why make a decision that severely mutilates the organization you direct, the creation of renowned Chileans, to make room in the Chilean state enterprises for an oligarchy, today represented by financial groups which the very same government had tried to do away with?

To summarize:

1. These public enterprises perform functions enabling tasks of national interest to be carried out.

2. These enterprises help to satisfy public needs.

3. In times of recession, stock prices decline; therefore, selling part of this capital stock at the present time will mean granting a subsidy to the purchasers of this stock.

4. Only Pensions Funds Administration Boards and large investors will be able to buy this stock.

5. Because of this factor, those who hold financial power, who have demonstrated their inefficiency in the management of their own businesses, will be given easy access to companies with an excellent record of profits.

6. The AFP are not good administrators, and on this matter, there are pending court cases concerning the use of the "additional payment."

7. If the plaintiffs win their case, the AFP would no longer be earning profits, but would actually have extensive losses.

8. The previous factor suggests that it would be prudent not to sell to these companies.

9. The workers will not have access to this capital stock, as the people with decision-making power in the AFP are the ones with the greatest financial power, that is, the financial groups.

10. Access by foreign businesses to the capital stock of public enterprises will lead to the denationalization of state responsibilities.

11. The measures to which we object endanger public order and our national security, perceived in its true sense.

12. The projects for which the funds coming from the sale of the stock of these enterprises would be used are unknown.

Therefore:

Based on what has been presented in this document, we hereby ask the executive vice president of CORFO:

A. To examine the current status of the lawsuits pending against the AFP and to determine the impact of this litigation on the profits of these companies.

B. To resolve that, so long as these cases remain pending, the AFP will be barred from acquiring stock in public enterprises.

C. Finally, to revise the measures covering the sale of stock in public enterprises which are now scheduled to be implemented, and based on the considerations set forth in this presentation, and others deemed reasonable to advance, to declare null and void the sale of stock in the following public enterprises: Chilean Telephone Company, Metropolitan Chilean Electric Power, Chilean Electric Power Generating Company and Fifth REgion, ENDESA, ENTEL, CAP, ENAEX, and Chile Labs.

First Attachment: We request that, in order to respond to our request, official communications be written to the following parties:

a. The Supreme Court, so that it may inform CORFO of the existence of the lawsuits cited in this document against the following AFP. Santa Maria, Habitat, and Provida, and the current status of this litigation.

b. The office of the superintendent of the AFP to request that you be sent a copy of the balance sheets of the AFP, to determine the veracity of the statements contained in this presentation concerning the use of the "additional payments."

Second Attachment: We herewith attach the following documents;

a. Copies of civil suits filed against major Pension Funds Administration Boards, S.A.

b. Certification from the Fifth Criminal Court of Santiago attesting to the existence of a pending criminal suit against one of these Pension Funds Administration Boards.

c. Photocopies of the pertinent parts of the "Monthly Report of the Santiago Stock Exchange,"

These enclosures have been duly submitted.

Hernan Bosselin Correa
Ramon Briones Espinoza
Eric Campana Barrios
Adolfo Zaldivar Larrain
Jose Ruiz di Giorgio

Luis Pareto Gonzalez
Alberto Zaldivar Larrain
Ernesto Vogel Rodriguez
Pedro Araya Diaz-Valdes

7679
CSO: 3348/204

CORFO CALLS PUBLIC ENTERPRISE SALES OBJECTIONS UNFOUNDED

Santiago EL MERCURIO in Spanish 14 Nov 85 p B-12

[Text]. CORFO [Production Development Corporation] has stated that the analysis prepared by a group of professionals and labor leaders who asked CORFO to suspend the sale of shares in state enterprises and to invalidate the sales already made of some companies' stock "lacks any solid foundation."

In a press release, CORFO gave its official response to a petition that had been drawn up by the following persons: Hernan Bosselin Correa; Luis Pareto Gonzalez; Ramon Briones Espinoza; Alberto and Adolfo Zaldivar Larrain; Eric Campana Barrios; Ernesto Vogel; Pedro Araya Diaz-Valdes; and Jose Ruiz di Giorgio.

CORFO stated that "claiming that access by foreign businesses to the capital of these enterprises will cause the denationalization of state functions is ridiculous since, as the same petitioners allege, part of the shares to be sold will be purchased by the Pension Funds Administration Boards as well as by workers and by those persons who wish to do so on the Stock Exchange. In any event, as it has already been reiterated to the point of satiety, the state will hold on to a majority of the capital stock in these enterprises. Consequently, neither public order nor national security will be in any way endangered.

The press release further noted that "it is absolutely untrue that only the Pension Funds Administration Boards and large investors will be able to buy the stock that is to be sold, as for the past year lots of these shares have been sent to the Stock Exchange to be traded, in amounts that will gradually be increased, based on market requirements, until the desired percentage of deconcentration has been reached."

The CORFO press release added that stock was offered for sale to the workers, and in general to any investor of any nature who might wish to purchase these shares, and that there are no restrictions. "By selling on the Stock Exchange, we make sure that its price will be the market price; this weakens the claim that the buyers are being given a subsidy."

The petitioners explained that the enterprises whose stock is to be sold perform functions that enable tasks of national interest to be carried out, and that they also help to satisfy public needs.

According to CORFO, that is true, but the press release added; "The petitioners are forgetting that any business activity performs tasks of national interest and satisfies the needs of the Chilean people. These enterprises are corporations and the state has for a long time wanted to give them that characteristic, so that persons distinct from the state can share in their ownership."

CORFO explained that a number of these enterprises have had private stockholders for a long time, and at one time, they were absolutely private. When their shares were transferred to CORFO, that transaction was limited to acquiring a majority interest in their stock.

7679
CSO: 3348/204

GOVERNMENT PROGRAMS CREATED 380,000 NEW JOBS DURING 1985

Santiago LA NACION in Spanish 2 Dec 85 p 40

[Text] A total of 380,000 people have found productive employment this year, contributing to the development of extensive social and territorial areas of the country.

This figure was possible through the application of the so-called special and sectorial programs such as PEM [Minimum Employment Plan], POJH [Heads of Household Employment Program], PIMO [Labor-intensive Program], CONAF [National Forestal Corporation], Gold Plan, Irrigation, and Expansion of Human Resources in Health. The objective is to achieve better productivity and efficiency as well as gradual decentralization within the framework of regionalization.

This was announced by Colonel Atiliano Jara, national secretary of employment, when explaining the activities that have been developed to generate and consolidate employment. These activities are part of a joint task of the public and private sectors. This is because "unemployment is a problem of national responsibility. Consequently, the private sector of the country must play a major role in its solution."

Private Sector

The National Secretariat of Employment has been in close contact with the organizations of businessmen and workers. The result is the revitalization of enterprises with operating problems and, in applicable cases, expedition of the legal and/or administrative transactions necessary for prompt bidding.

Col Atiliano Jara indicated: "The analysis and evaluation of projects proposed by different institutions in the sector are also a concern of ours as is the incorporation of youths into the market through apprenticeship contracts."

There is also the program for small businessmen who have recently completed their training in Conchali, Renca, and San Miguel. In 1986, this initiative will be expanded to regions V, VIII, and IX and the Metropolitan Area.

Public Sector

According to Col Atiliano Jara, the public sector has participated in the generation and stabilization of jobs mainly through investments by the government and state enterprises, in addition to the administrative structure of the state itself.

There has been emphasis on the decentralization of projects to be carried out in order to prevent migrations and also on the allocation of resources for labor-intensive projects.

Special Programs

This year two new special employment programs have been implemented. There are now 11, counting already existing ones, generating a total of 380,000 jobs.

Programs Being Carried Out in 1985

Pruning and thinning of 25,000 hectares of forest in regions V and X, developed through CONAF with public and private financing.

Program for professionals with the objective of enabling technically qualified individuals to do tasks at the regional and community level.

Minimum employment started in 1975 with the objective of mitigating national unemployment. (The state gives a subsidy to each person signed up, helping government entities improve their services.) Supervision of this program is the responsibility of the regional governments because of their flexibility.

Specific social projects started in 1984 with the objective of improving the labor efficiency of the PEM and carrying out tasks that, as its name indicates, have social benefit.

Occupational program for the heads of household implemented in 1982 to provide employment for the unemployed who prove their position as heads of household. (The state, through different organizations under it, provides a subsidy that is directly related to the skill level of those signed up.)

Government financing covers 80 percent of the labor and 20 percent of the supplies which guarantees that the program will be labor-intensive.

Program of expansion of health care in effect since 1984 with the objective of expanding health care to the community, permitting the hiring of specialists in the area. (The state, through the Ministry of Health, will administer the monetary and human resources in the different regions of the country based on their needs.)

Labor-intensive program begun in 1983 to bid projects to the private sector which has government financing.

Maintenance of community roads in effect since 1984 is similar to the POJH. However, its only objective was the maintenance of connecting roads between distant points and the improvement of traffic.

Minor irrigation projects since 1984, state subsidy for projects that, due to their size and financing, are considered minor (construction, improvement, and cleaning of irrigation canals and related tasks to improve soil conditions and, therefore, achieve effective levels of agricultural productivity). The regional irrigation directorates are in charge of these projects.

Gold plan which went into effect in 1983. Its objective is to extract gold from placers after being evaluated by ENAMI [National Mining Enterprise], employing already trained manpower or training it for good performance of the work. (The state gives a subsidy which is eliminated later. This benefits the largest number of people by permitting the entrance of others.)

The regional secretariats of mining and ENAMI are responsible for the development of the program.

CONAF, a special forestry development program begun in 1983, is concerned with the improvement of smaller infrastructures in parks and forestry reserves; hydrological management in deprived areas; development and maintenance of recreational sites; repair of shelters; centers of operation; and seed collection.

PEFOR [Special Reforestation Program] in effect since 1983 and designed for reforestation and maintenance of nurseries (40 million plants to reforest 20,000 hectares).

The state carries out these last two programs through CONAF.

7717
CSO: 3348/284

COMMUNIST LEADER CRITICIZES PINOCHET REGIME

Moscow PRAVDA in Russian 31 Oct 85 p 4

[Article by Luis Corvalan, General Secretary of the Communist Party of Chile: "Dictatorship Crisis"]

[Text] The situation in Chile is an eloquent illustration of the kind of policy in the area of human rights that the U.S. government, especially the Reagan administration, has been conducting for many years. In this area, as in others, Washington says one thing, but does another. The barbarous trampling of human rights in Chile became possible because American imperialism, by force of arms, brought into power the tyrant Pinochet, by spilling the blood of Chilean democrats, and is using all means to support him. In the situation that has been created as a result of the heroic struggle of the people of Chile, many people have been asking the question, "What allows Pinochet to remain in power and to carry out bestial crimes, despite the social storms that are crashing down on him?" The answer is obvious: the complete assistance and support on the part of the U.S. government.

The mass popular demonstrations that occurred in Chile in September shook the Pinochet dictatorship to its foundation and evoked a broad international response. The fascist regime in experiencing its most difficult time. The protest demonstrations created a new situation. They revealed the contradictions among the members of the cabinet and the squabbling within the armed forces, where there has been a discussion of the question of how to get out of the mess that they have created.

The overthrow in September 1973 was carried out under the pretext of saving Chile from communism and from economic chaos. Actually, however, what was overthrown was a democratic government which was successfully building an independent economy in a situation of difficulties that had been created by imperialism and the domestic forces of reaction.

Twelve years later it can be stated boldly that the Communist Party not only was not destroyed, but, on the contrary, is acting as the most combative force in the opposition and its influence is constantly growing, whereas the fascist dictatorship is in the stage of obvious disintegration.

One can also assert that it was precisely the dictatorship that led the country to economic chaos by means of the implementation of the "neomonetaristic" policy that had been recommended by economists of the "Chicago school," and the directives of the International Monetary Fund. More than 30 percent of the manpower has been paralyzed, and the real wages have fallen sharply. There has been a reduction in the production of products intended for the domestic market. The volume of trade operations has fallen. The foreign debt, which in 1973 did not reach $4 billion, currently is $23 billion. During the existence of the fascist regime, the country has lost approximately $40 billion simply as a result of the growing difference between the prices of the commodities that it sells and the prices of the commodities that it buys from the United States and other developed capitalist countries. Chile has currently lost that independence that it used to possess under the government of President Allende.

The structural crisis that is being experienced by the country is more acute today than it has ever been and it dictates the necessity of substantial reforms in the most varied spheres of national life, but primarily in the nature of the state itself. For that reason our party is striving to create a progressive democratic government on the basis of a broad coalition of forces, which government is capable of carrying out the anti-imperialistic and anti-oligarchical changes that the country needs, of democratizing the entire structure of state authority, including the armed forces, of enlivening the economy, and thus of engaging seriously in the resolution of the problems that are disturbing the nation. That kind of regime would lay the foundations for the changeover to socialism. And, contrariwise, if the dictatorship is replaced by a democratic regime with a clearly expressed bourgeois orientation, then one would obviously have to deal with a definite amount of progress relative to fascism, but that regime will be incapable of pulling the country out of the crisis, of resolving the deeply rooted problems, or even of satisfying the most vital needs of the masses of the people. Nevertheless, a government that would arise on that basis would receive our support in conforming in a completely definite manner to the interests of the nation and the country. At the same time we would continue to fight for the carrying out of more profound changes and the achievement of advanced democracy.

It is extremely probable that the immediate future will be very tense. Pinochet is in a rage and, as always, is ready to do anything, just so long as he can remain in power. The protest demonstrations that occurred in August and especially in September knocked him off-balance. A joint document issued by 11 parties, which is known by the name of "National Agreement Concerning the Changeover to Complete Democracy" and which was approved by Cardinal Fresno, caused strong disfavor on the part of the dictator. Although definite concessions are made to him in the document, it created problems for Pinochet in the confines of his own regime, within the armed forces, and also on the international arena. The dictator's statements that were evoked by that document and by the popular protests attest to the fact that he is blind and deaf and will remain so in the face of the nationwide demands and in the face of a thousand arguments that are being advanced to get the country on the path of democracy.

The social mobilization of all Chileans and the coordination of actions that has been aimed at this -- the coordination of actions being carried out in the struggle and at all levels by the forces of opposition, whether leftist, centrist, or rightist -- is becoming an increasingly acute necessity. Having been united, we must put the entire country on its feet, in order to throw all our forces into the combat, in order to stop the fascist terror immediately, and to achieve victory.

If rapid mutual understanding among all the democratic forces is not achieved, if each of them attempts to keep its own plan inviolate, and if it will make no concessions in any regard to others, then there is a risk of missing the current moment, which is so suitable for inflicting crushing blows on the dictatorship and putting an end to it.

Some people think that the country could put an end to the tyranny without this necessary coordination of forces. Yes, that is possible. The sufferings of the nation, the hunger and poverty that millions of Chileans are experiencing, the thirst for justice, and the hatred of tyranny have converted our country into a volcano. We can see a large number of signs that indicate that a strong social explosion can occur. On the other hand, there have been desperate maneuverings by the circles that are in favor of a "moderate" and "organized" withdrawal, and, within the armed forces, which, all things considered, represent the last support of the regime, there has been a rapid development of the process of discrediting the dictator. But in any instance there will continue to be the need to achieve agreement among the broadest democratic forces, because both the present situation and the situation tomorrow can prove to be uncontrollable if the splitting up and dissipation of the forces of the democrats prevail.

Chilean Communists, whatever deprivations and sacrifices are required of them in their struggle, will continue to remain on the front line of the struggle against the dictatorship, using all means and the application of all their efforts, together with the masses and in close ties with our allies. At the very same time, as one of the directions in our struggle, we shall continue to defend our principles, our class line, and our policy of struggle and the unity of all the democratic forces that are fighting against tyranny.

This policy has only one compass: the interests of the nation. In the name of those interests we are working to create a regime of respect for human rights, a regime that will eradicate fascism and that will preclude from the life of society the practice of tortures and political crimes. We are striving for the creation of a democratic regime, with which the nation will be able in a sovereign manner to determine the fate of its homeland. Our party is the party that is defending in the most consistent manner the principles of democracy both in theory and in practice. We want to achieve mutual understanding with all the progressive currents so that, jointly and most effectively, we can carry out the work with the purpose of making a reality, as quickly as possible, the passionate desire of the people to destroy the dictatorship.

In the hands of the nation, and primarily the entire working class, there is the opportunity to take such action that the future events will take the best path. If that path leads to the creation of an advanced democratic regime, the Communist Party will adhere to its policy in favor of the broadest alliance of the social forces, not excluding any progressive circles, because the reforms that Chile needs require the participation and the joint struggle of the majority of Chilean citizens.

5075
CSO: 1807/82

CHILE

BRIEFS

UNDERSECRETARY OF GOVERNMENT ANNOUNCED--The undersecretary of government, Col Carlos Krumm, will leave his present position to serve as military attache in Uruguay, according to the military assignments list approved by the president, Gen Augusto Pinochet, it was reported unofficially yesterday to La Moneda journalists. It was also announced that the new undersecretary of government will be the current director of civilian organizations, Col Jose Carrera. The ceremony marking the transfer of this position has been set for 6 December. [Text] [Santiago EL MERCURIO in Spanish 15 Nov 85 p C-3] 7679

CSO: 3348/204

BETANCUR ANALYZES NATIONAL SITUATION WITH OFFICIALS

PA100417 Bogota Television Service in Spanish 0000 GMT 10 Jan 86

[Text] All the governors, intendants, commissioners, and mayors from the main cities in the country held a summit meeting with President Betancur, analyzed the national situation, and received the president's orders to guarantee clean and honest elections. The most important topics discussed in today's meeting were the cost of living, the reserve forces members call for service during the elections, a plan to counter shortages, and the debate on constitutional amendments.

[Begin recording] [Reporter Alvaro Osorio] All the country's governors, intendants, and commissioners today held a lengthy meeting with President Belisario Betancur. Two things were discussed: The government pledges to counter the increase in prices which has prevailed throughout the country during the last few days, and plans to enforce the necessary security measures to guarantee elections without disturbances. The meeting was also attended by the department capitals' mayors and top-level military commanders.

Referring to the electoral guarantees, President Betancur announced the government's intention to call the reserve forces members for active duty. The head of state said that the government has no candidate and urged the authorities to remain impartial during the upcoming elections.

[Betancur] The guarantees to the parties and groups supported by the people must also include the former armed groups which are exerting their right to participate in the electoral process peacefully, without weapons, and abiding by the laws--even if they are in opposition. According to the law and its democratic vocation, the government will hold elections with an unsuspected impartiality and clear honesty.

[Osorio] Referring to the increase in staple prices, President Betancur ordered the governors and mayors to launch a struggle against shortages, which includes five points: Coordinate the vigilance of prices with the consumers' organizations; control the staple distribution centers, supermarkets, stores, and storage centers; survey by sector to determine which raises have not been approved; create systems to inform the consumers about established prices; and enforce sanctions against speculators. [end recording]

/9871
CSO: 3348/355

ATTORNEY GENERAL INVESTIGATES DEPORTEES FROM PANAMA

PA112320 Bogota Television Service in Spanish 0000 GMT 11 Jan 86

[Text] Regarding the case of the foreigners and Colombians expelled by Panama and abandoned on Pacific coasts, the office of the attorney general has expanded its investigation to include Buenaventura and Cali. The idea is to clarify the actions of Colombian diplomats in Panama and how they assisted the expelled Colombians.

The case of the 46 Colombians and other Latin Americans recently expelled by the Panamanian Government--who were taken aboard a vessel named "El Cisne" and later abandoned near the Choco village of Curado--has become a sensation because of the stance of the Colombian diplomats in Panama.

All seems to indicate that they did not fulfill the various regulations and provisions that protect Colombians while in a foreign territory.

[Begin recording] [Deputy Attorney General Fernando Navas Talero] The investigation will first of all determine the official behavior of our diplomats in Panama. Then we will try to determine whether a [word indistinct] responsibility has been breached because those expelled reached Colombia and complained about the behavior of our consul in Panama.

[Unidentified reporter] According to a document that we have at this radio station, all seems to indicate that only a secretary in charge of the police garrison at Curado received these Colombians who were expelled and that the behavior of the Colombian diplomats in Panama was far from appropriate.

[Navas Talero] I have proof that this is what happened, and this agrees with your conclusions.

[Reporter] Have our officials let the human rights of these men be violated?

[Navas Talero] In our office we have received complaints from Colombians who have reported the abuse of human rights by the foreign authorities of a number of countries and about their unsuccessful demands at diplomatic offices for their having these rights respected. [End recording]

/9871
CSO: 3348/355

SPEECHES BY HOYTE ON FOREIGN, DOMESTIC ISSUES

Report to Congress of People

Georgetown SUNDAY CHRONICLE in English 3 Nov 85 pp 9-11

[Address by Cde. Hugh Desmond Hoyte, S.C. leader of the People's National Congress and president of the Cooperative Republic of Guyana to the Fourth Session of the First Supreme Congress of the People, 30 October 1985]

[Text] Comrade Chairman:

Members of the Supreme Congress of the People.

As you know, I have just returned from the Commonwealth Heads of Government Meeting recently held in The Bahamas and from a Meeting of the General Assembly of the United Nations held in commemoration of the 40th anniversary of the founding of that organisation. As Head of State, I perceive it to be my duty to report to the nation on the outcome of these visits. There are several conceivable methods of doing so, but it has occurred to me that the occasion presented by this sitting of the Supreme Congress of the People provides an eminently suitable opportunity.

Indeed, having regard to the composition of the Congress, which combines the membership of the National Assembly and that of the National Congress of Local Democratic Organs and thus brings together the component elements of all of our three major deliberative institutions, I should like to think that we are today starting a tradition for the Head of State to report to this Assembly whenever he returns from overseas visits of the kind to which I have referred.

Before I left for The Bahamas however we had the honour and pleasure to welcome to our shores Robert Mugabe, Prime Minister of Zimbabwe, and his wife, Sally Mugabe. His was an official visit which lasted from October 12 to 15. For me it was a great privilege to receive on behalf of all the people of Guyana such a distinguished freedom fighter and internationalist. I wish to report to this Supreme Congress formally that the visit was eminently successful. There was an identity of views on many issues of International concern especially on Southern Africa, disarmament and international economic cooperation. As regards bilateral cooperation, we exchanged many useful ideas and agreed on mechanisms for making collaboration between our two countries in the economic, scientific and technical fields real and concrete.

Prime Minister Mugabe and his delegation endeared themselves to the Guyanese people. He was received enthusiastically wherever he went. He in turn has left us with clear and favourable impressions indelibly etched on his mind of our seriousness of purpose and our determination to forge ahead.

We traveled together to The Bahamas where, during the course of the Commonwealth Conference, we continued the discussions we initiated in Georgetown. As a result of our discussions, an Agreement on Economic and Technical Cooperation was signed by our respective Foreign Ministers in Nassau.

Cde. Chairman and Members of the Supreme Congress of the People, you would have gleaned from the media some insights into the conduct and results of the Commonwealth Heads of Government Meeting held in Nassau. In the first place it was well attended. Of the 46 countries which participated, 41 were represented by their Heads of State or Heads of Government.

The Meeting was dominated by the issue of Southern Africa, the focus being on the need to dismantle apartheid in South Africa as a matter of urgency. There was a pervasive recognition that the pace of change to bring freedom to that unhappy land had to be accelerated, though, as was to be expected, the heads differed in their view of the precise concrete actions to be taken. We nevertheless agreed unanimously to demand of the Pretoria regime that it should implement certain steps immediately.

These included the termination of the existing state of emergency, the immediate and unconditional release of Nelson Mandela and other political detainees and let us pause here to recall our own successful "Free Nelson Mandela" signature campaign and the resolution adopted by the National Assembly--and the lifting of the ban on the African National Congress and other political parties.

And, Cde. Chairman, certain measures, including sanctions, formed part of a programme of action which Commonwealth countries adopted and undertook to pursue. The meeting asked a small group of Heads of State of Government to review the situation in six months; time to see whether concrete progress had been made towards the objectives set in Nassau. If the progress has not been adequate, some, not all, member states of the Commonwealth will consider adopting stronger measures, including a ban on the import of agricultural products from South Africa, a ban on new investment or reinvestment of profits earned in South Africa, a ban on all government procurement in South Africa and a ban on government contracts with majority owned South African companies, among other things.

I contributed to the debates and discussions on this, as indeed on other issues. I naturally stressed the very firm and unequivocal position which this Government and the people of this country have taken.

On Southern Africa our support for the liberation struggle continues undiminished. We did not succeed in Nassau in obtaining in its full measure what we judged was required. But I am glad to say that the principal hurdle was in large part overcome, and that, as a result, the Commonwealth as a whole is now in a position to make a wider and more decisive impact on the situation than was previously the case. We cannot relent until apartheid is totally eradicated and the Black man is once more free not only in South Africa, but also in Namibia.

Cde. Chairman, the Meeting was also very concerned with the manifest decline within recent years in international cooperation, in the economic and other fields. We analysed the dangers of such a trend. Pointing to the Commonwealth itself as an example of an institution in which consensus is sought on the basis of equality and justice between nations, the Meeting issued a separate statement entitled "The Nassau Declaration on World Order."

The Heads regarded the United Nations system as the central instrument of peace, security and cooperation among nations and resolved to strengthen it. They pledged themselves to "play a full part in revitalising international cooperation for development," and called upon the world community "to construct a framework of collective security based on mutual trust and shared interest." If the exhortations contained in the Declaration are heeded by all peoples and nations, justice would have been done to the theme of the 40th Anniversary celebrations, the "United Nations for a better world."

The Meeting dealt with other subjects of importance to us. However, I will make reference to only one. In the wake of the invasion of Grenada, Commonwealth Heads of Government at their meeting in New Delhi in December, 1983, called for a study of the vulnerability of small states. The resulting Report was discussed extensively in Nassau and I am glad to say that we concurred with its recommendations. It is our belief that the international awareness of the link between the fortunes of small states and global concerns for peace can be approached in the future with more sensitivity and understanding.

While in Nassau, I took the opportunity to hold many bilateral discussions and consultations with my Commonwealth colleagues. For example, I had very fruitful conversations with President Kaunda of Zambia who was a close friend of our Founder-Leader. He was very understanding of and sympathetic with our efforts at nation-building. We agreed to remain in close contact in relation to developments in Southern Africa and other major international issues and to strengthen the political, economic and other links between our two countries. Likewise, in my discussions with Prime Minister Rajiv Gandhi of India, and Prime Minister Salim A. Salim of Tanzania, I found an identity of views on the major international issues and a desire to deepen the relations between our peoples and our countries. The contacts and talks I had with other Heads, such as the Prime Ministers of Australia, Canada and New Zealand, the President of Botswana and the Vice President of Kenya, were most useful and refreshing. Naturally, I found my meetings with my colleague Caricom Heads of Government most valuable. In some cases I was able to pursue and advance some specific bilateral issue with some colleagues, including Prime Minister Chambers of Trinidad and Tobago, Prime Minister St John of Barbados and Prime Minister Esquivel of Belize.

We have for a long time now taken an advanced and unequivocal position in support of the liberation cause in Southern Africa. Our contribution has been widely acknowledged and acclaimed. It was therefore, with particular pleasure, that I received Mr John Makatini, the representative of the African National Congress, who brought me up to date on developments and gave me the benefit of his insights and assessments.

While in Nassau, I hosted a reception for the Guyanese community in The Bahamas. I was glad of the opportunity to be able to meet my countrymen in an informal and relaxed atmosphere. I was very pleased to observe the strength of their continuing attachment to the country of their birth.

From the Bahamas, I went to New York to participate in the commemoration of the 40th Anniversary of the United Nations. My first task there on the day of my arrival--October 23--was to address the General Assembly. The occasion had attracted a very large number of Heads of State or Government from all regions of the world, from countries, large and small, rich and poor, all of whom had traveled to the United Nations Headquarters to attest to the value of the United Nations system and to reaffirm their countries' commitment to it.

In my statement I reaffirmed Guyana's commitment to the principles of the Charter and the purposes of the United Nations. Drawing attention to the dangerous trend evidenced by the retreat from multilateralism, I emphasised the need to strengthen international cooperation and, within this context, to call on all countries to adhere to the norms of international conduct and behaviour and to adopt peaceful means for resolving conflicts.

As at the Conference in Nassau, the issue of Southern Africa also figured prominently in the debate while I was in New York. It was one of the clear themes that ran through most of the speeches. The call for an end to apartheid in South Africa was insistent and overwhelming. Guyana supported the demand not only for the dismantling of that abominable system but also for the immediate independence of Namibia.

I drew attention, as well, to the spiralling arms race and the danger of the human race being destroyed in a nuclear holocaust. I joined Guyana's voice to those other voices which called for a reduction in the accumulation of weapons of mass destruction (including biological and chemical weapons). I expressed the hope that the forthcoming Geneva Summit talks between Mr Gorbachev and Mr Reagan would succeed in bringing about an abatement of international tension.

I was gratified to be told by many people, including the Secretary General, that Guyana was one of the most active small member countries of the United Nations.

Guyana has participated in the United Nations for less than half of the latter's existence; but during this relatively short period, it has worked assiduously to promote the creation of an environment based on the principles of mutual respect and equality underlying the United Nations System. We have done so for the reason that it is only in such an environment that international political and economic cooperation can fruitfully develop. And it is because of this that we have never, shirked our responsibilities to the international system, whether in respect of the Security Council where we served twice on the Economic & Social Council of the United Nations (ECOSOC), the United Nations Development Programme (UNDP), the Decade for the Development of Women, United Nations Education, Scientific and Cultural Organisation (UNESCO), or elsewhere in the system.

In sum, in New York we maintained our thesis that, particularly from the point of view of the security and other interests of small States, the United Nations system, with all its deficiencies and inadequacies, is a positive and valuable set of international machinery, constituting a major advance in an otherwise unregulated world order, and that the course ahead should involve, not its abandonment, but its progressive improvement, strengthening and democratisation.

Comrades, the United Nations system is of particular relevance to Guyana's security and territorial integrity in other ways. In keeping with the Geneva Agreement of 1966 on the controversy arising from Venezuela's contention that the Arbitral Award of 1899 was null and void, the Secretary General of the United Nations was entrusted by ourselves and Venezuela with the responsibility of choosing one of the means of peaceful settlement provided for in the Charter. During my visit to the United Nations the Secretary General brought me up to date with the status of his efforts. He was appreciative of Guyana's cooperation and the attitude which has informed the approach which we have so far taken. On my part, I reiterated Guyana's confidence in him and the role which he has been called upon to perform.

My visit to New York provided an opportunity for contact and discussions with members of the Guyanese community residing there and in contiguous states and beyond. I was particularly moved by the fact that my countrymen traveled from many distant areas--indeed one came from Canada--to meet me, to express their support and to assure me of their continuing interest in, and dedication and loyalty to, Guyana. I had many valuable and refreshing discussions with them, individually and in groups. One of the most productive sessions I had was with a group of some thirty Guyanese representing various Guyanese Associations in North America.

In all my discussions and conversations with them, I was deeply impressed by their desire to involve themselves in practical endeavours to help in promoting the welfare of the Guyanese people and the development of Guyana.

On the day of my departure, certain Guyanese organisations combined to host a luncheon in my honour which was attended by over 500 persons. Many of my other countrymen turned up but unfortunately could not be accommodated since space was not available for all.

A feeling of patriotism pervaded the atmosphere. I was deeply touched by the kindly thought which prompted my countrymen to organise the function and also by their expressions of goodwill towards me and Guyana and their palpable commitment to the interests of their native land.

In my remarks I urged them to organise themselves more effectively to help Guyana in practical ways and, most important, to stand up for Guyana at all times. Their definitive and unhesitating response gave me a profound sense of pride.

Since this is the first occasion on which this Congress is meeting since the death of our Founder-Leader, it is right Cde. Chairman, as you have done, that we should put on record the fact of his passing. Our sense of loss and bereavement has been expressed in full, appropriate and dignified measure. At this time, there are however some other reflections which it may be apposite to make.

The most convincing test of the correctness of the judgment of our late president and of the soundness of the arrangements and institutions which he was instrumental in establishing, lies in the efficiency and smoothness with which those arrangements and institutions have continued to function after his passing. They reflect the real strength of the man. There were some not sufficiently perceptive of the inherent cohesiveness of our society or the level of political maturity achieved under the influence of our Founder-Leader, who had confidently forecast, that with his passing, we would revert to a situation of communal strife, social upheaval and divisiveness. That was the situation which we inherited in 1964. Happily, through his wise policies, he succeeded in welding us into a nation--proud, self-confident and self-reliant--a nation that has enjoyed the benefit of uninterrupted internal peace and tranquillity over the past two decades. It is my purpose to preserve this environment of peace in which all of our citizens can go about their lawful occasions unmolested and under the protection of the law. This is one issue upon which there can and will be no compromise.

It is against this background that, since acceding to the office of President of the Republic, I have received a very large number of delegations representing the whole spectrum of national life--political, economic, social, cultural and religious. Many private citizens from all walks of life, of different interests and from all parts of the country, have talked with me, in both formal and informal contexts, and have given me the benefit of their perceptions and advice. With all of these fellow-citizens to whom I have referred, I have had the most valuable exchanges of ideas, and my conversations have convinced me that our people appreciate that the need to stand together and to hold fast is imperative. Our people are also keenly aware of the hostile character of the international environment in which we live. We all fully understand the external, economic, political and security dimensions of our geopolitical situation and are therefore determined to close our ranks within. Over the past two decades, our people have reasserted themselves in a measure which bespeaks the inherent cohesiveness of our society and our resolve to keep it so.

In the course of its work, this Congress has had brought before it a wide variety of matters, political, economic, cultural, national and international. On many of these issues Congress has come forward with clear, constructive and positive recommendations resulting from debates of high quality.

I believe that even more may be forthcoming from the Congress as our new arrangements settle down and we move forward with a corresponding sense of oneness to take up the challenges presented by the future.

Accordingly, as I have said elsewhere before, I believe that we can best protect and advance the vital interests of the Guyanese people by organising our political life on the basis of cooperation and consensus rather than on confrontation and conflict.

It is for this reason that my party some time ago extended an invitation to the minority leader and his party to engage in formal dialogue with a view to facilitating cooperation for the benefit of the country. These talks are proceeding and I propose to say nothing that can be reasonably construed as prejudicing their outcome. On the contrary, it is my hope that they will progress in a manner which will enable us all to pool our talents and resources for the purpose of building our country.

From all that I have said, both here and elsewhere, it will be seen that we Guyanese are determined to maintain our independence of action with respect to both our vital domestic and external interests. As we pursue these interests, it would be wrong and illogical for the assumption to be made that we have elected to be on a collision course with anyone. Far from it: our policy has always rested on the principle of friendship and understanding with others on the basis of mutual respect for independence and sovereignty.

With the passing of our Founder-Leader, an era in the history and development of our country undoubtedly came to an end. His political life spanned a formative and seminal period in our history and in the emergence of the Guyanese nation. It was in this period in which our political and national consciousness evolved, in which we shuffled off the habits of colonial thinking, accepted the responsibilities of independence and nationhood, and laid the psychological and political infrastructure that was necessary to organise ourselves internally to reap the material benefits of our rich and varied resources. The period was essentially one of political institution building and national character formation.

We must now, as the Founder-Leader would expect us to do, make further advances in the development of our country. He set us a clear objective of creating a humane, productive, democratic and prosperous society as we conceived a socialist society to be--constructed on the foundations of social and economic justice. We must now advance his work and realise his vision. He himself always contended that, while our objective must remain immutable, our strategies and tactics must be tailored to meet changing circumstances and objective reality. It will be for us collectively to devise the strategies and tactics that the era ahead of us would undoubtedly require.

As I have noted, we completed an era that was of necessity one of political institution building. In the years ahead, ours must be the task to complete the work of economic construction which our Founder-Leader initiated. The next phase of our revolution must be primarily economic. It must be one that is devoted to the development of the individual within the context of social cohesiveness and national progress. We have through our Founder-Leader's work inherited the framework for this forward movement.

Comrades, ours is a democratic society. We are required by our constitution to hold national elections periodically. The term of the present Parliament has almost expired and the final date by which we are required to hold elections is fast approaching. I believe that our political life should be vibrant and dynamic. It should accommodate vigorous debate on national issues affecting our growth and development as a nation. It is therefore, harmful to the best interests of our people that we should dissipate our time, energies and talents in sterile polemics. In our political life, we should be able to devote our time to arguing over and debating matters of substance. It was this belief which led me to invite the Leaders of the Minority Parties in Parliament for discussion about the conduct of the forthcoming elections.

Many political factions in our country have sought over the years to explain or excuse their electoral defeat by making repeated strident allegations about rigging and electoral irregularities. They have concentrated their attacks on those provisions of the law relating to overseas, postal, and proxy voting. After discussions with the Cde. Minority Leader, I had legislation introduced in the Parliament to deal with those matters which I apprehended to be his major concerns. I was gravely disappointed when the Minority Leader and his Party voted against this legislation for which he had been calling for many years inside and outside the Parliament. I can only say that I find such behavior incomprehensible and inexplicable. However, it is up to the Guyanese public to judge.

I regret that I was unable to accede to a proposal put to me by the Cde. Minority Leader that the People's National Congress and the PPP should agree to postpone the forthcoming elections indefinitely and for this purpose to combine in the Parliament to amend the Constitution so as to enable the ongoing talks between our parties to be completed. It is my view that these talks can and ought to proceed to a successful conclusion. I find no nexus between them and the forthcoming elections.

It is in this context, then, that I regret exceedingly the failure of the members of the People's Progressive Party to attend this session of the Supreme Congress notwithstanding assurances implicitly given and accepted. Our political life will make progress,will surely be enriched, if we all proceed on the basis of good faith.

I sincerely hope that the legislative amendments will be received in the spirit of conciliation and a search for national consensus by which they were inspired. They certainly do meet a number of specific requests previously made by the Minority Leader and I am confident that the electorate will recognise that an earnest effort is being made to ensure that the popular will is expressed in a manner that is proof against criticism however ingenious. To this same end, the preliminary list of voters has been issued earlier than is usual, and a request by the Cde. Minority Leader for an extension of time for making claims and objections has been accepted.

In these circumstances, I consider it necessary that the people of this country should have an early opportunity to elect a Government of their choice in accordance with the provisions of our Constitution and the democratic principles which underlie and pervade our organic law.

Accordingly, I propose later today to issue proclamations dissolving Parliament (and consequentially this Congress) as well as the National Congress of Local Democratic Organs and the Regional Democratic Councils with effect from 31st October, 1985 and at the same time appointing 9th December, 1985 as the date for holding elections to the National Assembly and the Regional Democratic Councils.

In issuing these instruments I thank each and everyone of you for the service you have so selflessly rendered to the nation, both as members of this combined body and as members of the component bodies to which you belong. Whether you return or not, I wish you God-speed in your continued endeavour to promote the cause of this great land and to make of it a happy and comfortable home to house a decent, humane, caring, compassionate but proud, confident and strong society.

Address to PNC Council

Georgetown SUNDAY CHRONICLE in English 3 Nov 85 pp 1, 8

[Text] PRESIDENT Desmond Hoyte yesterday clearly detailed the tactics and strategies to be pursued by the ruling People's National Congress [PNC] as it moves resolutely into its campaign to win the general and regional elections scheduled for Monday, December 9.

For the People's National Congress, he told the General Council of the PNC in a 90-minute address yesterday morning, the elections campaign will be a positive, upbeat and disciplined one.

The PNC, he said, will wage a campaign which is clean and above board and which is based upon the achievements of the Party over the years and upon the Party's programme for all Guyana in the years ahead.

"Our achievements are manifold. You only have to look around and you will see the achievements of the PNC", Cde. Hoyte added.

The PNC, he reminded the General Council, the highest decision-making forum of the Party in between Congresses of the Party, remains the only effectively organised political force in Guyana capable of running this country. That, he added, is a legacy bequeathed the Party by Founder-Leader, the late Cde. Forbes Burnham.

He spent considerable time analysing the local political situation in his bid to help the meeting develop a greater appreciation and understanding of the tactics and strategies the PNC will pursue to ensure its overwhelming victory at the polls on December 9.

At the end of it all, he was given a prolonged standing ovation.

In essence, and in the words of General Council Chairman, Dr. Mohamed Shahabuddeen, Cde. Hoyte used the opportunity to give the "battle orders" to the Party's membership.

Cde. Hoyte named December 9 as polling day last Wednesday and he will formally launch the PNC's election campaign today at a public meeting at the Square of the Revolution starting at 19:00 hrs.

Members of the PNC, Cde. Hoyte reminded the meeting, are servants of the Guyanese people and are accountable only to the people of this country. In this regard, the PNC will never be party to any suggestion to invite outsiders to meddle in Guyana's internal affairs.

The People's National Congress, Cde. Hoyte noted, has been able to win the massive support of the Guyanese people of all races and whereas, 15 to 20 years ago, some parts of the Corentyne might have been considered the preserves of the People's Progressive Party. Today, because of the successes of the PNC, crowds of an impressive ethnic mixture now come forward to pledge their loyalty and support for him and for the PNC.

Racial politics have departed from this country — "thanks to the PNC" — and there is no desire on the part of the people to divide the country on the basis of ethnicity, Cde. Hoyte noted.

The PNC's programme, he stressed, is a national one with no room for ethnic or other forms of divisiveness.

Today, he added, there is a great fund of goodwill and support for the PNC and people, who in the past had been identified with other political parties or factions are today "coming forward in their scores" to support the PNC.

Giving one example, he noted that Cde. David Subnauth, a Berbice businessman and one-time staunch activist of the United Force has come forward and pledged his support for the PNC, and will be campaigning vigorously for the PNC.

Meanwhile, among others who over the last 48 hours have pledged support for the PNC are West Demerara rice farmer Angad Rupee and representatives of the Guyana Public Service Union, the Islamic Missionary Guild International and Lindon General Engineering Company (Guyana) Ltd.

Cde. Hoyte stressed that the PNC has every intention of continuing its talks with the PPP but pointed out there was no nexus between the holding of those talks and the holding of elections.

He was critical of Dr Jagan's position on the question of electoral amendments.

He said he could not understand Dr Jagan's objections to the provisions which will enable members of the country's security forces to vote. The provisions, he noted, were nothing new and, in essence Dr Jagan was suggesting that the security forces should be disenfranchised.

Cde Hoyte noted that one of the legacies the Founder-Leader left us was that of peace and tranquility which has prevailed since the PNC assumed office two decades ago.

As President, he had undertaken to preserve that peace and tranquility and that is an undertaking he does not take lightly.

It is a commitment he had made to the people of Guyana to keep the peace and keep it he will. (GNA)

/9365
CSO: 3298/275

GUYANA

HOYTE AIRS INTENTION TO FOSTER TIES WITH SOVIET UNION

Georgetown GUYANA CHRONICLE in English 8 Nov 85 p 4

[Text] **PRESIDENT Desmond Hoyte has reiterated Guyana's intention to foster closer co-operation with the Soviet Union in the economic, cultural and technical fields.**

In offering a toast yesterday at a reception to mark the 68th anniversary of the Great October Socialist Revolution, Cde. Hoyte described the event as a historical landmark in modern political development and hailed the achievements of the Soviet people in the building of a socialist society.

The President also dealt with the question of peace. "As we speak of peace, we are conscious that the threat of nuclear annihilation is now unhappily part of our daily experience," the President observed.

He said a special responsibility devolves on the nuclear weapon States to bring an end to the arms race.

In this regard, he continued, Guyana is paying particular attention to the forthcoming conversation between the Soviet Union and the US.

He said the developed States should have as their clear objective the elimination of threat to peace and security through arms limitation.

He pointed out that we in Guyana share with the Soviet Union the principles of the United Nations which insist on respect for the sovereignty and independence of other countries and for the right of self-determination for all subject peoples.

"Likewise, we are at one in our opinion that the relationship between countries big and small, developed and developing, should be based on mutual respect," the President continued.

The relationship between the Soviet Union and newly freed countries was dealt with particularly by Soviet Ambassador to Guyana, Anatoly Ulanov, who spoke earlier.

"...We consistently pursue a course towards the expansion of friendly ties with them, deeply sympathise with the aspirations of peoples that are experiencing the hard and humiliating yoke of colonial bondage," the Ambassador said.

According to him, the Soviet Union builds its relations with these States on the basis of strict respect for their independence and equality.

"The Soviet-Guyanese co-operation is an example of such relations," he observed.

In a short period of time, all conditions for further development of such co-operation were established, he noted.

The Soviet Ambassador said only through common efforts can we make a greater contribution to the cause of realising an endured dream of the Guyanese people.

He also dealt at length with the struggle of the Soviet people against fascism and imperialism and their success in building a socialist society.

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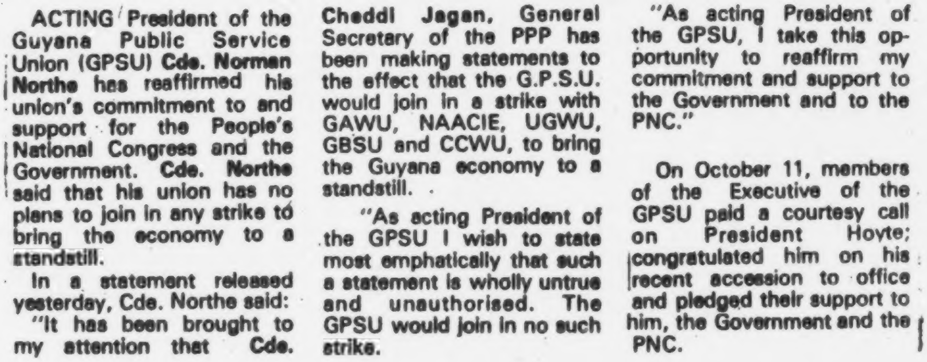
GUYANA

FURTHER REPORTAGE ON RUN-UP TO GENERAL ELECTION

Union No-Strike Pledge

Georgetown GUYANA CHRONICLE in English 3 Nov 85 p 1

[Text]



ACTING President of the Guyana Public Service Union (GPSU) **Cde. Norman Northe** has reaffirmed his union's commitment to and support for the People's National Congress and the Government. **Cde. Northe** said that his union has no plans to join in any strike to bring the economy to a standstill.

In a statement released yesterday, Cde. Northe said: "It has been brought to my attention that **Cde. Cheddi Jagan**, General Secretary of the PPP has been making statements to the effect that the G.P.S.U. would join in a strike with GAWU, NAACIE, UGWU, GBSU and CCWU, to bring the Guyana economy to a standstill.

"As acting President of the GPSU I wish to state most emphatically that such a statement is wholly untrue and unauthorised. The GPSU would join in no such strike.

"As acting President of the GPSU, I take this opportunity to reaffirm my commitment and support to the Government and to the PNC."

On October 11, members of the Executive of the GPSU paid a courtesy call on President Hoyte; congratulated him on his recent accession to office and pledged their support to him, the Government and the PNC.

WPA on Military Role

Georgetown OPEN WORD in English 4 Nov 85 p 3

[Statement by Working People's Alliance of 3 November 1985]

[Text] Chief of Staff, Major-General Norman McLean's assumption that the army must play a role in general elections and his public declaration on October 17 to that effect, with no correction so far from the political chiefs are the chief causes of acute and growing disquiet among the anti-dictatorial forces of Guyana.

Whether or not the statement of the Major General on this sensitive matter was made on political direction, it supports the point made in WPA's Document on Guyanese Freedom that the dictatorship in Guyana is a partnership between the military officers and the ruling party with the military as junior partner.

McLean's statement shows that those who command the military have a vested interest in the outcome of the elections, seeing that the use of troops is tied up with the removal of ballot boxes from the polling places without a preliminary count.

It is instructive that while Nicaragua faced actual attack from Contras, that country's elections procedures required a preliminary count at the polling place. The Canadian Church and Human Rights delegation which observed the 1984 Nicaragua election confirmed that this rule was maintained under hazardous war conditions.

Slap at Jagan

Georgetown GUYANA CHRONICLE in English 5 Nov 85 p 1

[Page One Commentary: "What More Can Dr Jagan Want?"]

[Text]

THE ruling People's National Congress has put in place a set of measures in answer to requests made by Minority Leader, Dr. Cheddi Jagan and his People's Progressive Party.

The measures pertain to next month's general elections, and, according to President Desmond Hoyte, they seek to cut the ground from under the PPP, so as to make obviously ridiculous any future claims by the PPP of elections irregularities.

The list of measures is quite impressive. They include:

- **amendments to the Representation of the People Act abolishing postal voting and severely limiting proxy and overseas voting;**
- **an early publication of the voters' list, so as to allow the PPP ample opportunity to scrutinise the same [and here we note that there has so far been no objection to any name on the list];**
- **an extension of the time for scrutinising the list [this was done at the request of Dr. Jagan];**
- **the appointment yesterday of four Justices of the Peace to facilitate the swearing of statutory declarations by PPP candidates;**
- **granting radio time, as in past elections, to all parties contesting the elections, and this to be based on criteria set out by the Elections Commission;**
- **access to the local public media [the Guyana National Newspapers Limited and the Guyana Broadcasting Corporation] for advertisements;**
- **facilitating transport to the interior for the PPP to make contact with its candidates;**
- **allowing parties' representatives to accompany ballot boxes from the polling places to the places of counting.**

This last measure, instituted by the Elections Commission, was in place at the last elections, but was not taken advantage of by the PPP, President Hoyte told a rally at the Square of the Revolution Sunday night. He encourages them to do so now.

We commend the ruling Party for dealing with issues raised by the PPP in so forthright a manner, taking the bull by the horns, as it were, and effectively quashing those belaboured PPP contentions.

This has been so effective, as a matter of fact, that Dr. Jagan seems unable to believe that it is all happening.

As the President noted Sunday night, there is nothing more he can do, unless Dr. Jagan wants to know how the people vote.

So we ask, what more can Dr. Jagan want?

We take the opportunity here to urge the Minority Party and others contesting the elections to take the fullest advantage of these measures which testify to the PNC's determination to remove all possibility of accusations of irregularities.

CHRONICLE on PPP-WPA Talks

Georgetown GUYANA CHRONICLE in English 8 Nov 85 p 1

[Text] IN HIS Press statement of November 6, 1985, Dr. Jagan, General Secretary of the PPP, denied that there were merger talks between the PPP and WPA. He claimed that the story on this topic carried in the Guyana Chronicle on Saturday, November 2, 1985, was "ridiculous."

The Chronicle stands by its story that such talks did take place. For example, on Saturday, October 26, 1985, Cde. C. Jagan and his wife, Janet Jagan, visited the WPA headquarters on Croal Street and discussed a possible merger for over two hours.

Dr. Jagan again visited the WPA headquarters on the morning of Thursday, October 31 to follow up the discussions held on the previous Saturday.

On Friday, November 1, 1985, there was a full-fledged meeting between Dr. Jagan and the PPP team on the one hand and the representatives of the WPA on the other at the Freedom House Headquarters of the PPP.

The Chronicle is in possession of reports of the meetings.

The Chronicle reiterates that non-nationals were involved in the discussions between the PPP and the WPA on November 1. Moreover, during the relevant period there were statements emanating from the WPA in Berbice and West Demerara that merger talks were in progress.

In the circumstances, the Chronicle cannot accept Dr. Jagan's denial.

WPA Press Conference

Georgetown SUNDAY CHRONICLE in English 10 Nov 85 p 20

[Text] THE Working People's Alliance [WPA] has said it has not detected any padding in the preliminary electoral list published early for public scrutiny in keeping with a promise made by President Desmond Hoyte.

Speaking at a Press conference at the Party's Croal Street offices on Friday, a Party spokesman also admitted that the WPA has been in contact with the People's Progressive Party (PPP) about the possibilities of their two parties fielding a joint slate of candidates at the upcoming elections.

Among those present at the Press conference were Presidential candidate Eusi Kwayana and other members of the WPA leadership including Rupert Roopnaraine.

"We have not detected padding", Kwayana said.

Even before the list was published early for careful scrutiny President Hoyte had said he was prepared to put his reputation on the line that the electoral list for the upcoming elections would be pure. And, up to Friday, the Chief Election Officer had received no objections to the inclusion of any names on the preliminary list.

Meanwhile, Kwayana told Friday's Press conference it was the WPA that initiated talks with the PPP, and that since the talks began officials of the two parties — including PPP Leader Dr. Cheddi Jagan — have visited each other's headquarters. [He denied that Cde. Janet Jagan had visited the WPA's headquarters.].

He promised that "we are going to be very frank with the media," and explained that "last Friday or thereabout" the WPA received a letter from some (unnamed) private citizens appealing to the WPA to "consider the question of a joint slate with the PPP."

The suggestion was "a great surprise" to the WPA but "we were touched by the argument," he explained contending, however, that a joint slate "means that you put up one list for the election" and does not mean a "merger."

He said that after discussing the idea of a joint slate, the WPA wrote the PPP on the matter but it appears that by the time that letter reached the PPP they had concluded their electoral arrangements "and so the joint slate is not an issue either. It ceased to be an issue since about last Sunday."

Radio Time for Parties

Georgetown GUYANA CHRONICLE in English 12 Nov 85 p 5

[Text] **THE Elections Commission yesterday announced that it has increased the number of electoral broadcasts allocated to the United Force from one to two and the number allocated to the People's Progressive Party [PPP] from six to seven.**

The Commission's decisions were made at a meeting yesterday following its consideration of representation made to it by UF Leader, Marcellus Feilden-Singh.

Broadcasts allocated to the People's National Congress and the Working People's Alliance remain at 15 and two respectively, while the other parties — the Democratic Labour Movement, the National Democratic Front and the People's Democratic Movement — have each been allocated one broadcast.

The broadcasts will be aired on the Guyana Broadcasting Corporation (GBC).

Earlier, United Force (UF) Leader, **Marcellus Feilden Singh,** had written the Chairman of the Elections Commission objecting "strenuously" to the allocation of only one Party Political Broadcast to his Party for the upcoming elections, while the Working People's Alliance (WPA) has been allocated two.

In his letter dated November 10, 1985, **Mr. Singh** complained that in allocating one broadcast to the UF the Commission had "lumped" his Party "with the other parties, some of which are unknown or of very recent vintage."

He listed eight reasons why in his view the UF should be allocated three Party Political Broadcasts. These are:

*the United Force as a political Party has been in existence since 1961.

*the United Force has continuously been represented in Parliament since 1961.

*when in the 1964 general elections no single Party won a majority, the United Force joined with the PNC to form a Coalition Government and held ministerial positions in Parliament from 1964 to 1968.

*the United Force was the official Opposition in Parliament from 1973 to 1976 and its leader, **Marcellus Feilden-Singh,** C.C.H., J.P., was first Deputy Speaker of Parliament and then the official Leader of the Opposition.

*the WPA is of recent vintage and never had a seat in Parliament, whereas the UF, up to the dissolution of Parliament recently, held two seats.

*the WPA is contesting elections for the very first time whereas the UF has been contesting since 1961.

*the UF enjoys vast support throughout the length and breadth of Guyana, as had been demonstrated by its continuous presence in Parliament since 1961, and the fact that it held the balance of power after the 1964 elections — from 1964 to 1968.

*in view of its Parliamentary record to date and its known country-wide and vast support, the UF should not be put in the same category of the political parties, some of which are unknown in respect of the allocation of radio time. (GNA)

WPA on Radio Rights

Georgetown OPEN WORD in English 11 Nov 85 p 1

[Text] OPEN WORD asked WPA's Presidential Candidate to comment on the election broadcast arrangements published in yesterday's CHRONICLE.

Mr Kwayana said, "Well, the GNA seems to know all about it. The WPA has not been informed up to this hour, midnight on Sunday.

"We met the Elections Commission on Friday from 2 p.m. to 4 p.m. and although the subject of radio broadcasts was discussed, the Commission gave no hint that they would decide it behind the backs of parties.

"The Commission seems to be acting on the principle 'to him that hath shall be given.' That is the only explanation for why the PNC with 115 broadcasts per day normally can now be allocated 15 election broadcasts out of a total of 27.

"The allocation is a piece of vulgarity which matches the style of the rulers and if they had made it, they could not serve themselves better--15 for the PNC, 6 for PPP, 2 for WPA and one each of UF, DLM, PDM and NDF. So the rulers have more broadcasts than those given to all of the opposition parties added together.

"Even if they are too big to share the broadcasts equally, this is a scandal. And the Constitution empowers the Commission to ensure impartiality and fairness in the elections.

"When in 1984 they gave productive workers 10% and less and then voted themselves 150%, they told us they had not had an increase in years.

"The Commission can't say that about the broadcasts. The PNC has been abusing radio time and everybody knows it. The PNC Leader's speech to launch the PNC campaign was broadcast live.

"Anyway, we are carrying into the election contest, despite all the injustice and paramountcy, the people's fight for bread and justice. Clearly the Elections Commission is afraid to expose the misrules to anything like an equal contest."

PNC in PPP 'Strongholds'

Georgetown GUYANA CHRONICLE in English 16 Nov 85 p 4

[Text]

NEW AMSTERDAM: Berbice (GNA) — Prime Minister Hamilton Green Thursday night addressed two public meetings on the Corentyne, drawing large and enthusiastic crowds, in a predominantly PPP area.

At the first major public meetings in the rich agriculture communities of No. 65 and Alness since President Hoyte announced December 9 as Polling Day, the crowds overspilled the roadway and packed nearby verandahs and yards.

At No. 65 the Prime Minister was given a rousing welcome which included the presentation of a garland of $20 bills by a young lady from the community.

The Prime Minister was accompanied by Finance Minister Carl Greenidge, Minister of Manpower and Co-operatives Kenneth Denny, Minister within the Ministry of Agriculture, Dr Simpson Da Silva, Regional Chairman Surujnarine Singh, Attorney-at-law Cammie Ramsaroop and National Candidate Mohamed Idris Deen.

In his address, Cde Green reminded the crowds of cheering supporters that the Government had over the past two decades successfully steered the ship of state through storms and difficulties into safety, noting that the journey was one that developing countries like Guyana have to make before reaching the port of comfort.

He noted that while many people wanted material things, they take the development and improvement of the country for granted. However, Cde Green emphasised that Government will continue to provide such material necessities like food, health centres, free education, transportation machinery and development schemes, but "we must produce and perform".

Observing that what many leaders in the world feared most today are conflict and war, Cde Green referred to the peace and stability brought to the Guyanese nation by the PNC Government since it took office in 1964.

"We ..must hold on to what we have for Guyana is on the move to economic development, " the Prime Minister added.

Government , he noted, has recently signed an agreement which now provides farmers with a bigger market where they can sell their agriculture produce to Caribbean countries.

The Prime Minister also disclosed that the new ferry service between Guyana and Suriname will be started next year to further strengthen the bonds of friendship between the two countries.

Jagan Call for Protests

Georgetown GUYANA CHRONICLE in English 16 Nov 85 p 1

[Text] PPP LEADER Dr. Cheddi Jagan has called for the staging of strikes and demonstrations during the period leading up to general and regional elections scheduled for December 9.

Similar calls have been made by other PPP speakers at public meetings.

Dr. Jagan, who is the PPP Presidential candidate for the upcoming elections, issued the call at a public meeting held at Enterprise, East Coast Demerara, Wednesday.

He said he would organise strikes, marches and picketing demonstrations during the election period. He was supported by other speakers including Dr. Roger Luncheon and Michael Shreechand, who also called for mass demonstrations and strikes.

Similar statements were made by Dr. Jagan at meetings at New Amsterdam and Sheet Anchor held on October 15, and at which he called upon his supporters "to take strong action to bring about a political solution to the crisis facing the country."

And at a meeting held at New Road, Vreed-en-Hoop on November 6, Cde Clement Rohee, a PPP candidate for the elections, said the PPP would organise people to beset the polling places to prevent the ballot boxes from being removed.

Meanwhile, at recent PPP meetings, Dr. Jagan has been calling on the Government to import ballot boxes from India or borrow ballot boxes from the Government of Trinidad and Tobago.

Jagan Talk of Unrest

Georgetown GUYANA CHRONICLE in English 18 Nov 85 p 1

[Text] WITHIN recent weeks, the theme of PPP speakers at public political meetings has been about strikes, massive demonstrations and protests against the Government.

At meetings held last Thursday at Port Mourant and Albion Front on the Corentyne, Dr. Jagan referred repeatedly to violence which, he alleged, took place in Jamaica and said that the same violence would come to Guyana. He said he did not "want people only to vote for the PPP, but to hold all kinds of anti-government demonstrations, including picketing and strikes."

Dr. Jagan pledged that if the PPP lost the elections, he would "unite all anti-government forces to throw the PNC Government out of office."

Cde. Robert Corbin, the P.N.C. Campaign Director, dismissed those statements as "the usual political hot air." He stressed that the P.N.C. was campaigning on "a platform of peace, co-operation and national solidarity."

Presidential Candidate Profiles

Georgetown SUNDAY CHRONICLE in English 17 Nov 85 p 11

[Text] Today we publish photographs of six of the seven Presidential candidates who have entered for the December 9 elections. We were, however, unable to secure a picture of Joseph Bacchus, leader of the little known National Democratic Front.

Cde. Hugh Desmond Hoyte S.C., President of Guyana, is also leader of the ruling People's National Congress. The PNC which has been in office since 1964 is contesting all 65 seats. He says the PNC has the winning list--one which represents all geographic locations, all cultural and ethnic groups, all religious persuasions and all economic interests. The PNC is the only Party fielding a full slate of candidates for the Regional Elections.

Dr Cheddi Jagan is leader of the People's Progressive Party which has remained as the major Opposition (Minority) Party ever since the PNC took office in 1964. He heads a list of 65 candidates for the December 9 elections. For the Regional Elections, his Party is fielding candidates in only eight of the ten Administrative Regions.

Attorney-at-Law and veteran politician Llewellyn John is leader of the People's Democratic Movement which is contesting 55 seats for the National Assembly.

The enigmatic Eusi Kwayana has emerged as the Presidential candidate for the Working People's Alliance which is fielding the maximum 65 candidates for the General Elections. For the Regional Elections, it is fielding candidates in five regions. Kwayana is well remembered for his call several years ago for the partition of the country along racial lines.

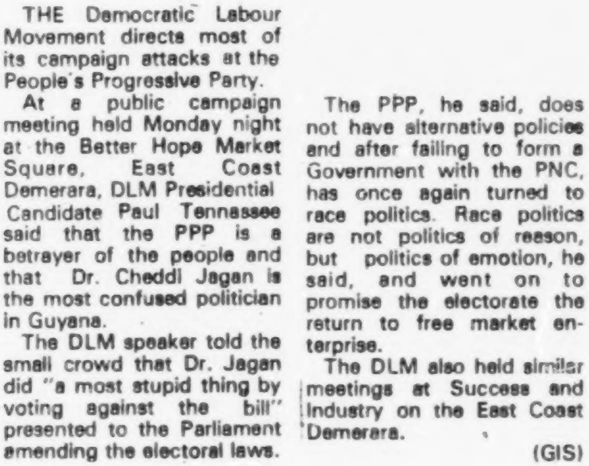
Marcellus Feilden-Singh remains as head of the United Force which has submitted the full 65 names for the National Assembly. It is not contesting the Regional Elections.

Paul Tennassee, referred to as a Canadian-based Guyanese is the leader of the little known Democratic Labour Movement which is contesting 58 seats.

DLM Criticism of PPP

Georgetown GUYANA CHRONICLE in English 21 Nov 85 p 5

[Text]



THE Democratic Labour Movement directs most of its campaign attacks at the People's Progressive Party.

At a public campaign meeting held Monday night at the Better Hope Market Square, East Coast Demerara, DLM Presidential Candidate Paul Tennassee said that the PPP is a betrayer of the people and that Dr. Cheddi Jagan is the most confused politician in Guyana.

The DLM speaker told the small crowd that Dr. Jagan did "a most stupid thing by voting against the bill" presented to the Parliament amending the electoral laws.

The PPP, he said, does not have alternative policies and after failing to form a Government with the PNC, has once again turned to race politics. Race politics are not politics of reason, but politics of emotion, he said, and went on to promise the electorate the return to free market enterprise.

The DLM also held similar meetings at Success and Industry on the East Coast Demerara.

(GIS)

Oddities of Candidate Lists

Georgetown GUYANA CHRONICLE in English 21 Nov 85 p 4

[Text] Amidst the increasing tempo of campaigning towards the December 9 general and regional elections, there is much of interest to be discovered by looking at the Candidates' lists.

A notable example appears in the list of the little-known National Democratic Front (NDF). The name Joseph Bacchus, Presidential Candidate, is not certain to ring a bell. He is listed as "businessman" of "22 Trotman Alley," which some Linden residents can identify as an area of Christianburg.

He is not known to have made any major public appearance so far.

In other cases, the occupations of persons who make up the Candidates' lists for the National Assembly give rise to a variety of interpretations, or speculations.

The PNC list of 65 for the Assembly, which does not appear to include more than six of any one occupation, is the most representative and balanced, occupationally. Among the businessmen, there are three gold miners, five farmers, two sawmillers and two market vendors.

One can also tick off on this list two trade unionists, two housewives, six teachers-lecturers-trainers and a single sugar worker.

There are three attorneys-at-law--including Presidential Candidate Hugh Desmond Hoyte, two youth leaders, four singer-musicians and three economists.

The PPP, for the National Assembly lists six journalists, ten farmers, six trade unionists, five whose occupation is classified as "none." But no candidate is classified as "sugarworker" or "canecutter."

Listed as "M.P." is Party Leader and Presidential Candidate Dr Cheddi Jagan, although Parliament was dissolved several days before Nomination Day in preparation for the elections. Also on the PPP lists are ten clerks, and five secretaries.

The occupation "none" is dominant on the NDF list for the National Assembly, reaching 15 outstripping housewives, at six.

The DLM of historian Paul Nehru Tennassee, Presidential Candidate, lists 19 candidates for the Assembly as "sugar workers," two as "labourers" and four as "unemployed." WPA lists six sugar workers, ten teachers, three artists and an attorney-at-law.

United Force (UF) fields one of the three attorneys-at-law who are Presidential-candidates, in Marcellus Feilden-Singh. Also on the UF list of 65 candidates are ten businessmen, twelve farmers, four housewives and one "trader."

People's Democratic Movement (PDM), with the symbol of the fork, has fielded a list ripe with interest. Twenty candidates are listed as "farmers," thirteen as "housewives," one as vat builder and Llewellyn John, the third attorney-at-law as Presidential Candidate. Moreover, six of the PDM candidates have the surname "John." (GNA)

Remarks by PPP's Collymore

Georgetown GUYANA CHRONICLE in English 25 Nov 85 p 7

[Text] A PPP Government would allocate more money to various sectors of the economy and seek help overseas for the country if it wins the December 9 elections, Party Secretary Clinton Collymore said Friday night.

The PPP would allocate more money to "the vital industries, State and private", to the agricultural sectors, to housing and the co-operative sector, Cde. Collymore said.

In the second of the PPP's political broadcasts on GBC Cde. Collymore said Guyana needed "a lot of help ... but from friends, not enemies lurking and scheming to plunder our patrimony and exploit our people. We must guard our sovereignty and territorial integrity."

"We must accept help from all quarters without strings attached, and humiliating conditions imposed. We must reject the IMF's prescriptions and caution the World Bank that Guyana is not up for sale. We must oppose demands from the enemy for denationalisation." Cde. Collymore said.

The PPP candidate contended that the PPP "has tremendous experience in and out of Government" and has "the correct answers to the economic problems". He blamed the 21 years of PNC Government for the country's economic problems and said the PPP "if elected with a comfortable majority in Parliament, will solve them speedily."

A PPP Government will mobilise aid from all quarters, East and West, Non-Aligned Countries and OPEC, for an accelerated development effort.

The PPP would restore Guyana's "credibility" and "credit-worthiness" overseas, and would "seek to have our foreign debt written off, failing which it will unilaterally scale down foreign debt payments in the national interest and in your personal interest too," the Party's candidate promised.

"A PPP Government," he added, "will firmly uphold Guyana's rights in the Caribbean Common Market, particularly in relation to the sale of rice and sugar to our sister States."

He contended that the country's current economic problems are due to "21 years of wrong priorities, continuous inefficiencies, chronic maladministration, endemic corruption and alienation of the working people, through lack of accountability and democratic participation in the decision-making processes."

"Only the PPP is sufficiently organised and astute enough to bring about a swift turn-around in the economy," he said.

He criticised the PNC Government for import restrictions, the country's debt, deficits in State enterprises, and reduction of the food import bill from "$130 million in 1980 to a paltry $55 million in 1984".

"The PPP can produce the goods, market them and satisfy your needs," he said, adding that "queues will vanish under a PPP Government, and the black-market will become a nightmare of the past."

The PPP candidate said "statistics show that between 1977 and 1984 there were only two years of positive GDP growth totalling four per cent ... in this period of massive zero growth, taxation rose by $130,0 million with a fresh $30 million to be grabbed from your pockets in 1985."

Rice production is "stagnant", he said, contending that "exports today are half what they were under the PPP Government", while sugar production is "about half what the PNC itself had planned for the early 1980's; bauxite production has also plummeted and the alumina plant has been shut down for nearly five years."

He contended that "little industrial development has taken place", and "projects remain on paper by the dozen, with no funds earmarked for them" and "jobs in the meantime are getting scarcer".

Concluding his broadcast Collymore promised: "If you return the PPP to Parliament with a big majority and thereby elect Dr. Cheddi Jagan President of the Republic, operation rescue will go into gear." (GNA)

WPA Leader's Speech

Georgetown GUYANA CHRONICLE in English 25 Nov 85 pp 6-7

[Text] THE Working People's Alliance (WPA) can win the December 9 elections, and is fighting to do so, Party candidate for the National Assembly, Dr. Rupert Roopnarine said in a WPA political broadcast Saturday night.

In the first of two scheduled WPA political broadcasts on the Guyana Broadcasting Corporation (GBC), Roopnarine said: "We are fighting these elections to win and we can win a fair poll in which the votes cast by the people are the votes counted.

A WPA victory, he said, will lead to "a new way of treating political power and will place the country in a better position,"

In the election campaign, he said, the WPA has been making three points:

☐"Proclaiming the unbearable suffering of the great masses of Guyanese on the coast and in the interior in a constitutional forum.

☐"Continuing in the same constitutional forum the struggle for genuine elections, and

☐"Putting forward our manifesto of redemption, reconstruction and rebirth in the certainty that the nation can heal its political, social and economic injuries after free and fair elections."

Directing attention to the national media, the WPA candidate said: "In the present campaign the press and Radio are doing everything to suggest that voters can do nothing to influence change."

He added: "Public concerts have been treated as election meetings of the PNC. News of the PNC's failure to attract crowds in many places is carefully hidden and news of highly successful Opposition meetings is dishonestly concealed from the readers of the Press."

He said: "On the Party's attitude to elections, contesting the elections (in 1980) without any attempt at changing the stubborn rules did not seem right to the WPA and so we boycotted the elections of 1980."

He further stated: "In some quarters ... there is talk of WPA mistakes. Mistakes happen in active political life. But they must be faced and corrected. One mistake we have never been guilty of is to take or seem to take the side of the rulers against the masses on any pretence whatever."

"At no time did the WPA make the mistake of agreeing to discuss or wishing to discuss with the ruling Party of the dictatorship the social system or any matter other than arrangements for a free and fair election and this only in the company of all existing political parties in Guyana," he said.

"Vote for the Opposition Party of your choice but not on grounds of race," the candidate said in his ten-minute presentation.

And, contending that the "most important task of the election is not the winning of a party victory," he said the WPA's invitation to vote for the WPA should cause no fears that "the party wishes to go in there and remain indefinitely."

On the WPA view of the country, the candidate said Guyana needed to "advance to a democratic republic."

"Those who are pushing socialism as well as those who are pushing anti-socialism when the task is reconstruction and democratisation, wish to handcuff the people in advance and control decisions which are better made in conditions of freedom of association and freedom of thought and expression ..." Roopnarine said. (GNA)

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CSO: 3298/275

GUYANA

GOVERNMENT'S REPLY TO BISHOP SINGH ON ELECTIONS

Georgetown SUNDAY CHRONICLE in English 17 Nov 85 pp 6-7

[Text]

Dear Bishop Singh,

I acknowledge receipt from you and others of a letter of 25 October, 1985, raising certain matters concerning the forthcoming national elections and suggesting a meeting to discuss the same with me. I assume that since you are in collusion with those other persons you would convey the contents of this letter to them, since I do not propose to send individual replies.

By way of prefatory remark, it is to be observed that each of the ten signatories merely links his name to some organisation. This may suggest to the unwary reader that the signatories have been authorised by those organisations to speak for them while leaving it open, in case a question of authority is raised, to say that they were only describing their own particular affiliations and not professing to be speaking on behalf of the particular body concerned. Frankly, I do not understand this kind of equivocation, and on this ground alone I consider it wholly inappropriate to accede to the request for a meeting.

Moreover, while I consider it my duty to listen to representations made to me in my ministerial capacity, you will concede, I am sure, that I cannot meet every motley group that wishes to see me for the purpose of making political propaganda.

However, lest it be thought that there are no answers to the various asseverations made in your letter I shall now proceed to deal briefly with them under the heads selected by you with a view to demonstrating a certain distressing harmony between the tendentiousness with which they are made and the equivocation relating to the status of those who make them.

(a)

Voting procedures on election day.

Your statement that, "As provided by the regulations the ballot boxes should be examined at the beginning of the day in the presence of representatives from all the parties and should then be sealed by the presiding officer in their presence", mischievously suggests, without quite saying so, that this has not been happening. This also applies to your statement that "The representatives should be permitted to remain at the polling booths throughout the day." You cannot be so ill-informed as not to know that both recommendations, if I may so dignify them, represent what has always happened on election day in our country.

You claim that s. 84 of the Representation of the People Act requires the votes to be "counted on the spot", i.e at each polling place. That provision does no such thing. Neither did section 42 of the Representation of the People Act 1957 which was in force during the PPP regime. That provision visualised that ballot boxes from each polling station would be handed over by the presiding officer to the returning officer at the close of the poll. The practice during the PPP regime was for these ballot boxes to be then brought together at one or more centralised counting places within the constitutency , where the votes would be counted. If, as it seems, you are suggesting that there has been a time when votes were counted at each polling station, the suggestion is absolutely ill-founded and thoroughly misleading. I draw your attention to the fact that even Dr. Jagan, the General Secretary of the P.P.P., has admitted that it has never been the case in this country that votes were counted at each polling station. (See the P.P.P. Press Release dated November 06, 1985).

Further, you say, "We can see no valid justification for the practice that has been introduced of moving the votes to a central counting place." Implicit in that is a suggestion that all the votes from all over the country have been counted at one central place only. This again has not been so. At the elections held in 1980, with two exceptions, votes were in fact counted within each region. These two exceptional cases referred to were due to logistical and administrative considerations.

As regards the questions of party representatives being allowed to be present in the vehicle conveying the boxes, I am astonished that you could be so irresponsible, if not malicious , as to subscribe, to the statement that "tampering with the boxes during transit... happened in previous elections", without adducing any evidence at all. My amazement grows when it is borne in mind that, for example , at the 1980 elections, arrangements had in fact been made for party representatives to accompany the boxes. In many cases, particularly including interior districts, as you know very well, or should know very well, many contesting parties were so weak on the ground and lacking in local political support that they simply had no personnel to assign for the purpose in some regions and surely you could not forget some parties were unable to submit a list of candidates for regional elections. But most important of all, the main opposition party, the PPP clearly had no interest in having the votes counted at all in 1973. Not only did that party not avail itself of its right to have its representatives accompany the boxes where it was logistically possible for it to do so, but in fact incited some of its supporters to steal and / or destroy those boxes. You may wish to refer to the public records to verify the fact that P.P.P. activists did steal and destroy ballot boxes and some of them were prosecuted, and convicted for their criminal acts. In 1980 the P.P.P. did in fact organise representatives to accompany some of the Ballot boxes.

(b)

The register of voters

Your assertion that in previous elections "It was extremely difficult, if not impossible, to get hold of any of the lists", is untruthful and absurd, I therefore reject it. However, as in other cases, with a view to preventing ingenious propaganda exploitation of the electoral arrangements, the lists have been published earlier than usual and free copies given promptly to the relevant parties. Further, a request by the Minority Leader for an extension of the period for the making of claims and objections has been substantially granted. He asked that the total period should be thirty days. Twenty-six days have been allowed.

(C)

An Independent Elections Commission

I also reject your suggestion that the Elections Commission "have no real power or authority" and that "they are in no position to perform the functions of supervision and control envisaged by the Constitution..." You are, I am afraid, rushing blindly into an area in which you are incompetent. I am inclined, on this point, to urge you to emulate the shoemaker and stick to your last. On the best legal advice available, I wish to inform you as follows: under the Constitution the Commission has overriding powers over all officials concerned in the administrative conduct of the elections and can issue any directions it considers necessary or expedient for the purpose of ensuring impartiality, fairness and compliance with the Constitution or other law. The Chairman of the Elections Commission, together with the Secretary, has visited overseas registration centres and the members of the Commission have visited the National Registration Centre. No impediments have been put in their way. On the contrary, every facility has been afforded. The Commission is free to act as it sees fit. All those concerned in the administrative conduct of the election are required to defer to the authority of the Commission. Any contrary statements by any particular members of the Commission are explicable only on partisan grounds.

(d)

Public meetings and access to the media

Your reference to the right to hold meetings, to radio time and to use of the media is capped by the statement, "This has not been the case in previous elections". This is such a palpable falsehood that I find it difficult, at this stage, to consider you anything other than a mischief-maker. I refuse to accept the alternative, namely, that you are an ignorant person. Take, for example, radio time. Contrary to your statement, opposition parties have always had access to radio time in 1968, 1973, and 1980. Perhaps you may now wish to check the records — as you should have done before exposing yourself to the danger of public ridicule. In 1980, for example, the PPP spoke five times on the radio and the United Force once in accordance with a schedule based on the long accepted Parliamentary representation formula.

Moreover, if you had only taken the time to ascertain the facts you would have easily found out — if you were indeed interested in truth and accuracy — that the Guyana Chronicle gave ample publicity, free of cost, to the public meetings held by opposition parties in previous elections, (e.g., see Guyana Chronicle July 10, 1973, page 9, and Guyana Chronicle of December 1, 1980, page 16). In developing this baseless allegation, you have also quite conveniently ignored the fact that at all material times during past elections the serious political parties controlled and published newspapers — as they still do. You become not only tedious but irrational when you imply that opposition parties did not enjoy the right to hold meetings. Opposition parties held hundreds of public meetings throughout the length and breadth of Guyana during all relevant election periods in the past. If you are unaware of this fact, the most charitable conclusion I can come to is that during election periods in the past you must have fallen into a deep slumber like Rip Van Winkle.

(e)

Military Presence

Your representations on this point are a sad caricature of the truth. In particular, it is grossly inaccurate for you to say that "the ballot boxes were seized by the military in 1973 and 1980". For example, the excerpt in Appendix A from the Evening Post of 17 July 1973 will show that, far from there having been any seizure, **the security forces only acted on the specific and written instructions of the Elections Commission given for the purpose of protecting ballot boxes from organised attempts, including in some cases the use of violence, to destroy the boxes or to prevent them from being collected for counting. Please see Appendix B for details.**

I do sincerely regret that, occupying the high episcopal position which you hold, you should have allowed yourself to be coerced into being a party to so many patent half-truths and outright falsehoods. These distortions, as confirmed by the precipitate publication of your letter even before it reached my desk have been clearly crafted and designed to sustain a programme of political recrimination and animosity intended to obsure the genuine efforts of the Government to remove all possible grounds of criticism, however unjustifiable, of the forthcoming elections. As pointed out by the Cde President in the course of his public address at the Square of the Revolution on 3rd Inst., a number of things have been done at the request of the Cde Minority Leader, including the following:

(i) the preliminary list has been posted up earlier than usual and free copies supplied promptly to the relevant parties;

(ii) the period for making claims and objections has been almost doubled even though, with respect to objections, not a single instance has so far been found of a name being incorrectly included in the list;

(iii) the exercise of the right to vote overseas has been severely restricted and in practice would be limited to bona fide overseas students and serving foreign service officials;

(iv) postal voting has been completely abolished;

(v) proxy voting has been restricted in substance to the grounds on which it was permitted during the PPP regime;

(vi) even though there are hundreds of J.P.s otherwise available (including many known PPP members and supporters), five Justices of the Peace have been appointed on the nomination of Dr. Jagan for the specific purpose of assisting with his electoral campaign. His original request was for four appointments only;

(vii) specific arrangements were made at less than 24 hours notice, at Dr Jagan's request, to provide internal air transportation to Region 9, for his Party officials to enable them to carry out certain functions related to the preparation of his list of candidates; and

(viii) blanket approval has been given for his election personnel to enter Amerindian areas.

In addition, as the Cde President pointed out in the course of the same address, the Government maintains the position which it took in the past;

(a) that party representatives may accompany ballot boxes in the course of transportation. (Indeed, they have always been entitled to do, and this right was confirmed, for example, in 1980, by directives of the Elections Commission to this effect);

(b) that parties may have access to radio time, on such basis as the Elections Commission may decide;

(c) that parties may have access to the nationally owned media for their advertisements on normal commercial terms.

He reiterated their constitutional right to hold meetings and do all other lawful things in furtherance of their election campaign.

Despite the transparent partisanship which has unfortunately driven you to subscribe to the grotesque misrepresentations and inaccuracies with which your letter is riddled, I trust that you retain a sufficient measure of objectivity to be able, on reflection, to see that the Government, notwithstanding its own view as to the unjustifiable nature of past objections, is making an earnest endeavour to meet opposition representations almost in their entirety with a view to ensuring that the forthcoming elections are as free as humanly possible from criticisms, however ingenious. If you cannot see this, the Government will for its part be content to leave the judgement in the hands of right-thinking members of the public. If, however, you can join them in seeing that an honest attempt is being made to create harmony, to reduce recrimination, to promote consensus and to enhance the quality of our public life, I should be happy to think that you may yet find yourself in the company of those who are prepared to make a genuine and unbiased contribution to the creation of a society free from unnecessary tensions and good to live in by all who truly wish to make it their home.

And I close by inviting you to this worthwhile and honourable end.

Yours co-operatively,
J.R. Thomas
Minister of Home Affairs

/9365
CSO: 3298/275

GUYANA

COURT WRIT FILED AGAINST ANGLICAN SYNOD ELECTIONS

Georgetown SUNDAY CHRONICLE in English 17 Nov 85 p 1

[Text] A WRIT has been filed in the Supreme Court against Bishop Randolph George claiming, among other things, that elections to the Diocesan Council of the Synod of the Anglican Church held earlier this year were fraudulent.

The writ was filed yesterday by Cde. Newton Profitt, a high official of the Anglican church in Guyana.

It was filed against "Randolph George, individually, and in his capacity as the Bishop of Guyana" and against "The Incorporated Trustees of the Church in the Diocese of Guyana."

In his writ, Cde. Profitt is making six claims against the defendants. He is asking for:

- a declaration that the meeting of the Diocesan Synod of the Anglican Church of Guyana held on April 16 and 17, this year "was irregularly and unconstitutionally convened;"
- a declaration that the elections to the Diocesan Council of the said synod held on April 16 and 17, this year "are unconstitutional, irregular, fraudulent, null and void;"
- a declaration that the purported election of candidates to the said Diocesan Council "is unconstitutional, fraudulent, null and void;"
- an order directing the defendants to convene a meeting of the said Synod for the holding of elections to the said Diocesan Council forthwith and that such elections be held in compliance with the regulations and rules of the Diocese of Guyana and according to law.

And, in addition to claiming costs, Profitt is asking the Court to make such further or other order as to it may seem just.

The defendants have been given 10 days to enter an appearance. —(GNA)

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GUYANA

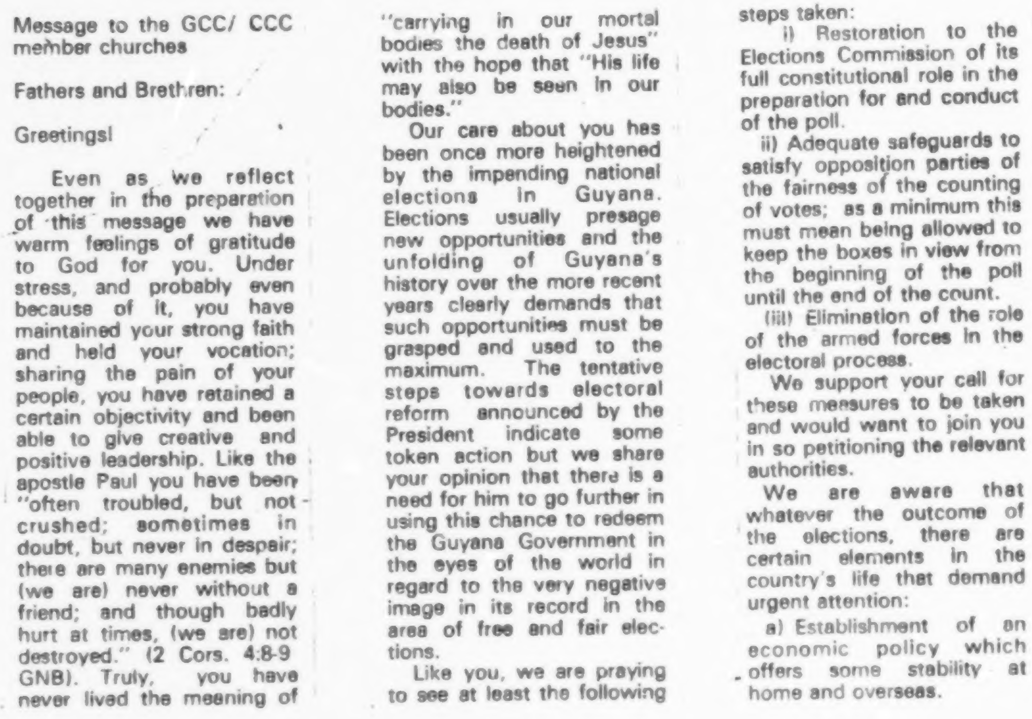
CHURCH LEADER KIRTON'S LETTER ON ELECTIONS REJECTED

Letter, Reactions

Georgetown GUYANA CHRONICLE in English 20 Nov 85 p 3

[Text] Several members of the Full Council of the Guyana Council of Churches have reacted sharply to an "election message" from Rev. Allan Kirton of the Caribbean Conference of Churches. Here we publish the text of Rev. Kirton's message, a note from the GCC's Executive Secretary, passing the message on to member churches of the GCC, the text of the response cabled to Rev. Kirton, and another reaction.

Text of Letter



Message to the GCC/ CCC member churches

Fathers and Brethren:

Greetings!

Even as we reflect together in the preparation of this message we have warm feelings of gratitude to God for you. Under stress, and probably even because of it, you have maintained your strong faith and held your vocation; sharing the pain of your people, you have retained a certain objectivity and been able to give creative and positive leadership. Like the apostle Paul you have been "often troubled, but not crushed; sometimes in doubt, but never in despair; there are many enemies but (we are) never without a friend; and though badly hurt at times, (we are) not destroyed." (2 Cors. 4:8-9 GNB). Truly, you have never lived the meaning of "carrying in our mortal bodies the death of Jesus" with the hope that "His life may also be seen in our bodies."

Our care about you has been once more heightened by the impending national elections in Guyana. Elections usually presage new opportunities and the unfolding of Guyana's history over the more recent years clearly demands that such opportunities must be grasped and used to the maximum. The tentative steps towards electoral reform announced by the President indicate some token action but we share your opinion that there is a need for him to go further in using this chance to redeem the Guyana Government in the eyes of the world in regard to the very negative image in its record in the area of free and fair elections.

Like you, we are praying to see at least the following steps taken:

i) Restoration to the Elections Commission of its full constitutional role in the preparation for and conduct of the poll.

ii) Adequate safeguards to satisfy opposition parties of the fairness of the counting of votes; as a minimum this must mean being allowed to keep the boxes in view from the beginning of the poll until the end of the count.

(iii) Elimination of the role of the armed forces in the electoral process.

We support your call for these measures to be taken and would want to join you in so petitioning the relevant authorities.

We are aware that whatever the outcome of the elections, there are certain elements in the country's life that demand urgent attention:

a) Establishment of an economic policy which offers some stability at home and overseas.

b) Redress in the social situation which guarantees a minimum level of social services being offered the population.

c) Return to a way of life in which constitutional guarantees of human rights are respected especially freedom of the press and a life free from fear.

The CCC would be happy to support and assist you particularly should you desire that some eminent and impartial Caribbean persons serve as a panel of official observers to help give regional support to your own judgement on the electoral process.

December 9, therefore, is a new opportunity for Guyana. That open door is not only a constitutional event, but we believe a chance that God is giving to the rulers and people of Guyana to take action in forging their destiny. Christians in the region will lift you up in prayer and all men and women who love liberty, justice and peace will also rally to your support. May Christ's Kingdom which has taken root among you continue to flourish so that all persons may benefit from the fruits of your bountiful land.

Sincerely yours in Christ,
Allan F. Kirton
General Secretary

Transmittal to Churches

Dear Brother/Sister,

The attached letter has been received from the Rev. Allan Kirton who is anxious that it be known and heard by as many Christians as possible. Would it be possible to have it read in churches next Sunday?

With best wishes.

Yours sincerely,
M.D. Mendonca
for Michael McCormack
Executive Secretary

Guyana Council's Reply

WE, the below-mentioned signatories, refer to your "Message to the GCC/-CCC Member Churches" dated 1985-11-08 and wish to protest strongly against what can only be described as an act of presumption on your part in attempting to involve yourself in the domestic affairs in our country. In this so-called message you have proceeded to level ill-informed criticisms about our electoral procedures and arrangements, to pontificate on the forthcoming national elections, and to make disparaging remarks about our country.

You have also had the impertinence to put in our mouths certain criticisms of the Government which we have never made. We do not understand such duplicity; nor do we appreciate your mendacity on this point. Since we have not made such criticisms and have never called for "measures to be taken" as alleged by you, your offer to join us in "petitioning the relevant authorities" is absurd. We do not welcome it. Indeed, we would commend to you the virtue of minding your own business and avoiding public statements that are palpably based on ignorance.

We are alarmed at your effrontery in proposing to "support and assist us" by sending foreigners to intermeddle in our electoral processes. Guyana is a sovereign independent nation. It holds its independence on sufferance from no one. In our view no foreigner has any right to interfere in the domestic matters of Guyana — political, religious or otherwise.

Furthermore, we have noted that, the Executive Secretary of the Guyana Council of Churches has had the gall to ask us to read your political tract in our churches next Sunday, allegedly at your request. Interestingly enough, he had caused a report of it to be published in the "Catholic Standard" newspaper even before it had reached us. We refuse to be manipulated by you or the Executive Secretary of the GCC for ulterior political purposes. We absolutely refuse to read the said message as requested.

As Guyanese religious leaders of churches who are all members of the Full Council of Guyana Council of Churches, we resent the gratuitous insults you have hurled against our country and reject, as being inappropriate, your crude attempt to influence our electorate in the forthcoming elections. Consequently, we spurn your so-called "measure of support and solidarity", moreso since we are unaware that our churches are "under stress", as alleged by you. In all the circumstances, therefore, we consider your action to be arrogant, mischievous and unacceptable.

Your officiousness in trying to intervene in Guyana's domestic affairs and the gross calumnies you deemed fit to include in your so-called message can only result in the Caribbean Conference of Churches being brought into further disrepute and the integrity of the Guyana Council of Churches being undermined.

We strongly urge that the C.C.C. avoid allowing itself to become, wittingly or unwittingly, the dupe of partisan political interests in the region with their own ulterior purposes to serve.

As Christian leaders, may we remind you that charity and truthfulness are still cardinal virtues of the Christian faith we all claim to embrace. We regret that we have had the sad occasion to send you this communication, but our duty has compelled us to this end.

We put you on notice that we are not prepared any longer to allow unwarranted attacks on our country by foreigners to go unanswered. We will be standing up for Guyana.

Rev. Fitzroy Jackson;
Rev. P. Oscar Wharton of the Congregational Union.
Rev. Erma Miller;
Rev. Gift Profitt;
Rev. Clarence Williams of Guyana Missionary Baptist Church.
Rev. R.M. Adams — of the Ethiopian Orthodox Churches (Guyana);
Rev. Uklyn Hendricks;
Rev. Eustace Semple;
Sister Hyacinth Godett — of the African Methodist Episcopal Church (A.M.E.).
Rev. Harold McDonald — of the Varick A.M.E. Zion Church.
Cde. Hyacinth Cunningham — member of the Conference of the Methodist Church in the Caribbean and the Americas.

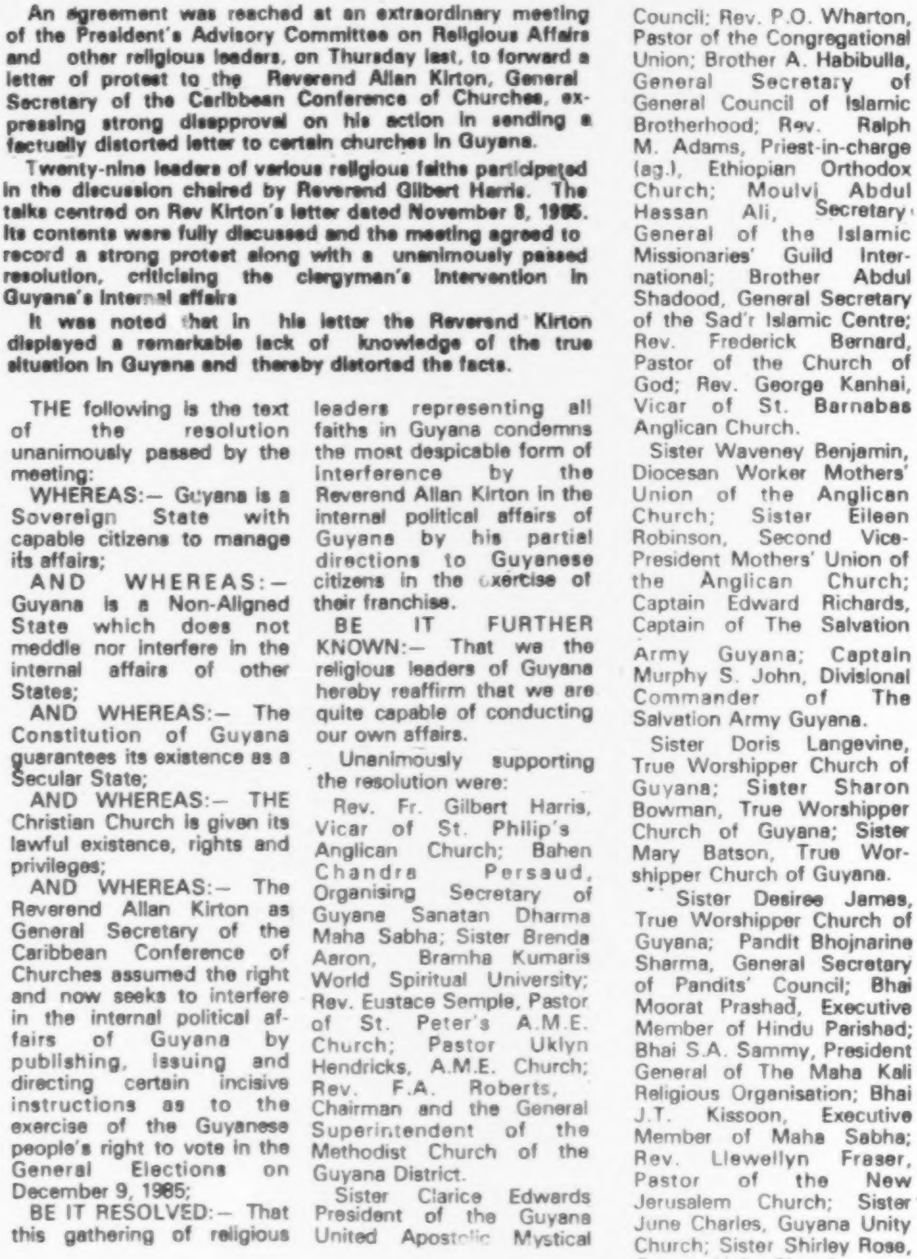
Salvation Army Reaction

Captain Murphy John of the Salvation Army has described the so-called 'Election Message' sent by Rev. A. Kirton of the Caribbean Conference of Churches to the member churches of the Guyana Council of Churches as being "most inappropriate."

Captain John said that Rev. Kirton's action was unfortunate and that he could not, in good conscience, accede to the request to read Rev. Kirton's message to his congregation.

Religious Leaders' Protest

Georgetown SUNDAY CHRONICLE in English 24 Nov 85 p 4



[Text] **An agreement was reached at an extraordinary meeting of the President's Advisory Committee on Religious Affairs and other religious leaders, on Thursday last, to forward a letter of protest to the Reverend Allan Kirton, General Secretary of the Caribbean Conference of Churches, expressing strong disapproval on his action in sending a factually distorted letter to certain churches in Guyana.**

Twenty-nine leaders of various religious faiths participated in the discussion chaired by Reverend Gilbert Harris. The talks centred on Rev Kirton's letter dated November 8, 1985. Its contents were fully discussed and the meeting agreed to record a strong protest along with a unanimously passed resolution, criticising the clergyman's intervention in Guyana's internal affairs

It was noted that in his letter the Reverend Kirton displayed a remarkable lack of knowledge of the true situation in Guyana and thereby distorted the facts.

THE following is the text of the resolution unanimously passed by the meeting:

WHEREAS:— Guyana is a Sovereign State with capable citizens to manage its affairs;

AND WHEREAS:— Guyana is a Non-Aligned State which does not meddle nor interfere in the internal affairs of other States;

AND WHEREAS:— The Constitution of Guyana guarantees its existence as a Secular State;

AND WHEREAS:— THE Christian Church is given its lawful existence, rights and privileges;

AND WHEREAS:— The Reverend Allan Kirton as General Secretary of the Caribbean Conference of Churches assumed the right and now seeks to interfere in the internal political affairs of Guyana by publishing, issuing and directing certain incisive instructions as to the exercise of the Guyanese people's right to vote in the General Elections on December 9, 1985;

BE IT RESOLVED:— That this gathering of religious leaders representing all faiths in Guyana condemns the most despicable form of interference by the Reverend Allan Kirton in the internal political affairs of Guyana by his partial directions to Guyanese citizens in the exercise of their franchise.

BE IT FURTHER KNOWN:— That we the religious leaders of Guyana hereby reaffirm that we are quite capable of conducting our own affairs.

Unanimously supporting the resolution were:

Rev. Fr. Gilbert Harris, Vicar of St. Philip's Anglican Church; Bahen Chandra Persaud, Organising Secretary of Guyana Sanatan Dharma Maha Sabha; Sister Brenda Aaron, Bramha Kumaris World Spiritual University; Rev. Eustace Semple, Pastor of St. Peter's A.M.E. Church; Pastor Uklyn Hendricks, A.M.E. Church; Rev. F.A. Roberts, Chairman and the General Superintendent of the Methodist Church of the Guyana District.

Sister Clarice Edwards President of the Guyana United Apostolic Mystical Council; Rev. P.O. Wharton, Pastor of the Congregational Union; Brother A. Habibulla, General Secretary of General Council of Islamic Brotherhood; Rev. Ralph M. Adams, Priest-in-charge (ag.), Ethiopian Orthodox Church; Moulvi Abdul Hassan Ali, Secretary General of the Islamic Missionaries' Guild International; Brother Abdul Shadood, General Secretary of the Sad'r Islamic Centre; Rev. Frederick Bernard, Pastor of the Church of God; Rev. George Kanhai, Vicar of St. Barnabas Anglican Church.

Sister Waveney Benjamin, Diocesan Worker Mothers' Union of the Anglican Church; Sister Eileen Robinson, Second Vice-President Mothers' Union of the Anglican Church; Captain Edward Richards, Captain of The Salvation Army Guyana; Captain Murphy S. John, Divisional Commander of The Salvation Army Guyana.

Sister Doris Langevine, True Worshipper Church of Guyana; Sister Sharon Bowman, True Worshipper Church of Guyana; Sister Mary Batson, True Worshipper Church of Guyana.

Sister Desiree James, True Worshipper Church of Guyana; Pandit Bhojnarine Sharma, General Secretary of Pandits' Council; Bhai Moorat Prashad, Executive Member of Hindu Parishad; Bhai S.A. Sammy, President General of The Maha Kali Religious Organisation; Bhai J.T. Kissoon, Executive Member of Maha Sabha; Rev. Llewellyn Fraser, Pastor of the New Jerusalem Church; Sister June Charles, Guyana Unity Church; Sister Shirley Rose, Guyana Unity Church.

Correction on Signatories

Georgetown SUNDAY CHRONICLE in English 24 Nov 85 p 4

[Text]

REVEREND Una Matthews and Rev. Fitzroy Jackson of the Congregational Union have advised the "Sunday Chronicle" that they did not "sign" the press release captioned "Church Leaders protest Rev. Kirton's 'officiousness and presumption' " which we published on Sunday, November 17, 1985. They have asked us to make a correction.

We wish to apologise to Rev. Matthews and Rev. Jackson for this error. The use of the word "signed" was entirely our mistake. The Press release which we received did not refer to anyone "signing," but merely said that the statement had been "issued" by the persons whose names were mentioned therein.

Reverend Oscar Wharton of the Congregational Union, from whom we obtained the press release, has sent us an explanatory letter which we have published today. We regret and apologise for any embarrassment or inconvenience the inclusion of their names might have caused Rev. Una Matthews and Rev. Fitzroy Jackson.

Rev. Matthews and Rev. Jackson, however, have indicated that in requesting to have their names deleted from the press release, they are not thereby indicating an agreement with the Rev. Allan Kirton's action in sending the so-called "Election Message" or with the contents of the said message. They wish it to be known "emphatically" that they will not read the Rev. Kirton's message to their congregation.

In the meantime, however, the other religious leaders whose names were included in the release are adamant that their position in respect of the said release remains the same. They are Rev. P. Oscar Wharton - of the Congregational Union; Rev. Erma Miller, Rev. Gift Profitt, Rev. Clarence Williams - of the Guyana Missionary Baptist Church; Rev. Ralph M. Adams - of the Ethiopian Orthodox Churches (Guyana); Rev. Eustace A. Semple, Sister Hyacinth Godett - of the African Methodist Episcopal Church (AME); Rev. Harold McDonald of the Varick AME Zion Church.

Since then, Sister Hyacinth Cunningham, member of the Conference of the Methodist Church in the Caribbean and the Americas, has expressed her full support for the statement issued by the Rev. P. Oscar Wharton and others condemning Rev. Allan Kirton's behaviour.

/9365
CSO: 3298/275

GUYANA

PPP LEADER JAGAN EXPLAINS POLICY ON ELECTION, OTHER ISSUES

First Campaign Broadcast

Georgetown GUYANA CHRONICLE in English 22 Nov 85 p 5

[Text] GUYANA needs change "to the left, in a democratic and socialist-oriented direction," People's Progressive Party Leader Cheddi Jagan told Guyanese Wednesday night, in his Party's first 1985 elections broadcast.

"We want to get out of the PNC frying pan, but not to fall into the imperialist rightist fire," Cde Jagan said in his ten-minute address, on GBC Channel Two, and rebroadcast on Channel One yesterday.

He at the same time spoke in favour of a "broad-based National Patriotic Front Government of all left and democratic forces," in which, he said, the PPP would still be interested if it won on December 9.

The PPP Leader and Presidential Candidate said "we make no apologies" for the Party's call for protests in the coming elections, but he denied there was any "advocacy of violence" in the Party's call for struggle, which, he said, included "strikes, demonstrations, marches, vigils and picketing."

He referred to the recent legislative measures abolishing postal voting and restricting overseas and proxy voting which the PPP voted against in the National Assembly, as "a partial victory."

And he called for an "independent election machinery," "non-involvement of the Army," and "counting of the ballots at the place of poll." He also stated, without making any specific complaints, that there was a need for a struggle for "clean voters' lists."

In response to President Hoyte's invitation to the Minority Parties to exercise their right by arranging for their agents to accompany the ballot boxes on polling day, Dr. Jagan said his Party's agents must be able to keep their eyes constantly on the ballot boxes "from the beginning of voting to the beginning of counting."

The PPP Leader also dealt with the economic situation, making some references to what it was under the PPP (more than 20 years ago), the International Monetary Fund (IMF), and what he termed a "lack of democracy."

"Lack of democracy has taken its toll. Coupled with incorrect economic planning strategy, wrong priorities, political and racial discrimination, extravagance and corruption, it has put a brake on production and productivity," he said, contending also that "production of our main exports is stagnating even below levels reached two decades ago."

Under different policies, he said, "the small man would have become the real man, and the nation would have been fed, clothed and housed as the PNC had proclaimed in 1972. Indeed our country would have become the Caribbean bread-basket and showpiece.

Dealing with Guyana-IMF relations, he alleged that a new arrangement with the IMF is now in the offing and thus "is likely to mean another devaluation of our dollar by about 25 per cent."

On the general PPP programme, the Party Leader said the PPP is committed to free and fair elections, democracy and a plural political system. "We feel that these must be coupled with a socialist-oriented programme, and a broad-based National Patriotic Front Government of all left and democratic forces."

Such a government, he said, is "absolutely necessary" to development, racial and cultural cohesion and national defence. "Further, we say, give the genuine organisations of workers, farmers, businessmen, professional and religious people a voice in Parliament."

He said that is in line with the PPP's democratic tradition, its national patriotic position and winner-does-not-take-all politics. "Often we have stated that even though we can win a free and fair election, we alone will not form the government; we will include other progressive forces," Dr. Jagan said.

While giving no details, he twice referred to what he termed "a very favourable agreement made in April, 1978 with the Soviet Union."

He criticised the Government for not "heeding the call of the TUC and others for a broad-based Government" and for not implementing "the very favourable agreement" with the Soviet Union."

And contending that "the IMF medicine has been bitter for you and the nation" he said Guyanese have been brought to a point of desperation through IMF impositions — "devaluation, wage freeze and wage restraint, dismissals, cuts in social services, removal of price controls, removal of subsidies on food, cuts in imports leading to shortages and blackmarket prices."

Concluding his address, Dr. Jagan said that change to the left, as prescribed by the PPP, is his Party's way "to real peace and social progress."

—(GNA).

Government Options

Georgetown CATHOLIC STANDARD in English 24 Nov 85 p 4

[Text] *DR. Cheddi Jagan has written to the Standard in connection with an article entitled "President Hoyte's difficult choices" by Mr. David de-Caires, carried in the Standard of Oct. 13. The text follows:*

Mr. David De Caires listed 4 options open to President Hoyte. But not all are sound.

Option 3 "The third course is to carry on alone with no help or compromise internally or external' (business as usual) and hope for a miracle".

I agree that this course has no future.

This course had led to retrogression. To do nothing is not to stand still, but to go backwards. This is where "third world" countries are different from the developed capitalist states.

In the latter, the economy has its own momentum. But even there, conditions are deteriorating because of the general and structural crisis of capitalism and the roles played by conservative politicians.

Options 2 & 4 "The second is to move to the centre and seek an accommodation with the Americans accompanied by Western aid".

"The fourth, perhaps allied with the second, is to seek an internal rapprochment with other groups in the society".

This too has no future.

Look at Jamaica. President Reagan did everything to help Prime Minister Seaga and to make Jamaica into a Caribbean showpiece. But the whole "deliverance" policy is a failure.

Businessmen, who helped to bring Seaga to power, and farmers are rebelling against his IMF "open-door" deregulation policy.

Former Minister of Industry and Trade, Robert Lightbourne, of Seaga's Jamaica Labour Party, recently pointed out" "The shrinking dollar, the reduced purchasing power of the people, the ever rising cost of living, even of basic commodities all owe their origins to the official economic regime under which we are being governed.".

In 2 years, the Jamaica dollar dropped in value from US$1 = J$1.78 to US$1 = J$6.50.

Spontaneous demonstrations and riots in February, 1985 led to 11 deaths. And there was a near general strike in June against the soaring cost of living.

Seaga's popularity is now at its lowest. Even his government is forced to criticise US "constructive engagement" policy in South Africa and the IMF.

Option 1 "The first is to move further left, come to an arrangement with the PPP, nationalise the rest of the economy and seek Russian aid".

This is the only way.

Internal unity through a National Patriotic Front Government of all left and democratic forces, not just PPP and PNC, is the first prerequisite to success.

The second is not a break with the West, but no total reliance on it.

And thirdly, there is no need for further nationalisation.

What is absolutely necessary is to make the nationalised enterprise work through a people's representative government and democratic, as distinct from bureaucratic, management through workers' control and public accountability.

Guyana had a choice of roads.

In April, 1978, the late President Burnham visited Moscow and made a most favourable agreement - unlimited credits at 6% interest; help to develop our gold industry; help to rehabilitate the bauxite industry and to buy bauxite.

But later that year, the PNC shunted aside that agreement, went along the IMF way and praised it.

Had the Guyana/Soviet agreement been implemented, 1700 bauxite workers would not have had to be dismissed and our economy would not have been in the parlous state it is in today.

Option one is the only sane alternative. Cheddi Jagan.

/9365
CSO: 3298/275

GUYANA

GOVERNMENT, TUC REACH ACCORD ON WAGE PACKAGE

Government Proposals

Georgetown GUYANA CHRONICLE in English 5 Nov 85 pp 1, 4

[Text]

FINANCE Minister Carl Greenidge met yesterday afternoon with Trades Union Congress representatives for further discussion on remuneration adjustments for this year and next year.

This meeting follows a letter of proposals from Deputy Prime Minister, Planning, Cde. Haslyn Parris, sent to the TUC. In keeping with an agreement between the TUC and the Government, that the letter be despatched by the end of October, it was forwarded on October 31 by Cde. Parris on behalf of the Finance Minister who was away on business.

The proposals come against the background of new benefits put in place this year. These include:

- payment of severance benefits to 1 649 Central Government workers retrenched in 1982, at a cost of approximately $1,5 million;
- a twenty-two and a half per cent increase, retroactive to January 1, 1984, for approximately 16 000 old age pensioners, costing an additional amount of about $2 million per annum;
- an increase in social assistance benefits for 10 000 beneficiaries costing approximately $1 million.
- the equalising of the benefits for pensionable and non-pensionable posts in the Public Service, costing an additional $2 million per annum;
- increases in travelling allowances for the Public Sector, taken as a whole, within which the Central Government's increases amount to about $2,5 million per annum;
- increases in meals and subsistence allowances for the overall Public Sector, of which the direct cost of the increase in the rate of expenditure to the Central Government for 1985 is estimated at about $1,5 million per annum, and for the Guystac Group, approximately another $1,5 million per annum; and
- increased advances for the purchase of motor cars and motor cycles.

As for the new proposals contained in the letter sent on October 31 to the TUC, these deal with adjustments following appraisals in relation to performance being retroactive to January 1, 1985 and similarly for 1986.

These newest proposals suggest that salary structures be so reorganised that for the years 1985 and 1986, employees will receive a ten per cent increase for each year, four per cent of which will be an automatic and across the-board increase and the remaining six per cent allowed on the basis of performance. Such increases will be based on the December 31, 1984 and December 31, 1985 salary levels respectively.

The increases over the two years will, in fact, yield an overall increase of 21 per cent (100 will go to $110 in 1985 and then to $121 in 1986).

The adjustments following appraisals of work performances are designed to reward good service and are particularly apt, as there have been complaints of new employees working for as much as older ones, a situation brought about by the absence of regular increments.

With respect to Bidco/Guymine and Guysuco, the across-the-board salary scale adjustment should be on the level of five per cent and the performance appraisal award at the level of seven and a half per cent.

The proposals also allow for annual reviews, bearing in mind changing circumstances and the ability of the economy to accommodate increases.

The proposals partially address the relationship between remuneration and the cost of living, with ongoing committees which are participatory, and which will look at problems as they arise. These committees will include representatives of the Government, the TUC and the public and private sectors.

Committees proposed are a price review committee, an income distribution committee, a working hours committee, an anomalies committee and a collective bargaining committee.

There is also a proposal for a review of incentive schemes, in particular with respect to directly productive enterprises. These schemes should begin in 1986, and the proposal is that a regime of quarterly payments be derived and that these be based on a production target level/break-even analysis model which takes into account current cost structures. The model ensures that incentives are paid only if there is a profit-earning situation at the organisation.

In his letter to the TUC, Cde. Parris says, "I am of the view that the proposals deal with all the major areas of concern which have been under discussion. Accordingly, I feel that the proposals represent an eminently adequate basis for the furthering of our discussions and for a speedy resolution of the various matters in the interest of the nation's workers."

It is to be hoped that the proposals will be looked at speedily, so that improved workers' benefits could be realised expeditiously and smoothly.

TUC Reaction

Georgetown CATHOLIC STANDARD in English 10 Nov 85 p 2

[Text] GOVERNMENT'S proposals for wage increases have been set out in a letter to the TUC's General Secretary, Joseph Pollydore, dated October 31.

A TUC team headed by Pollydore met with Government representatives on Monday Nov. 4, to seek clarification on the issue.

It has been the 30th meeting between the two sides since the long drawn-out wage negotiations began in 1983, and indications are that the TUC will reject the new proposals.

General Secretary Pollydore has intimated to the Ministry of Finance that the Executive Council of the TUC is "shocked" at the proposals submitted and another senior TUC official described the offer as "parsimonious".

Government is basically proposing a 4% across the board increase for Public Sector employees other than Bidco/Guymine and Guysuco, retroactive to January 1, 1985.

The increase of 4% is to be based on salary scales at December 31, 1984.

TUC sources have said that in short the bulk of working people will receive an increase of 60 cents per day, making the new minimum wage for 1985 $15.70 per day.

For 1986, the sources say, these Public Sector workers will receive an additional 4% increase, or 63 cents per day, making the minimum wage for 1986 $16.33 per day.

Sugar and bauxite workers will receive an extra 1% increase to the above, bringing sugar and bauxite minimum wages from $15.10 per day to $15.85 for 1985 and $16.65 for 1986.

No mention has been made about 1984, for which the TUC still has an outstanding claim.

The TUC are demanding a minimum wage of $25.00 per day for 1984, and are insisting that any increase for 1985 should be above this.

Government is also proposing an increment averaging 6% for workers with "average performance".

For Guysuco and Guymine/Bidco workers, the increment will average 7½%.

It is to be noted, TUC sources say, that these workers have already been paid their 1985 increments, consistent with their contract of service based on meritorious performance.

TUC-Government Differences

Georgetown CATHOLIC STANDARD in English 17 Nov 85 pp 1, 2

[Text] AT a meeting held on Nov. 7 between the TUC executive and representatives of the government to discuss government's wage proposals, General Secretary of the TUC, Joseph Pollydore, indicated to Minister Greenidge that "when the people can't earn a decent wage, and can't have their needs satisfied, then it won't be strikes or industrial action, but revolution".

He then cited a number of third world countries where workers had taken the situation in their own hands.

The Minister replied that Mr. Pollydore was at the wrong forum, since he was not there to discuss revolution but was merely discussing a wage proposal to workers.

In a letter communicating its position on government's proposals dated the same day, the TUC requested the government to significantly increase the 4% that they were offering.

"The TUC", the letter states, "considers the proposed 4% across-the-board increase in salary scales inadequate and highly unsatisfactory".

For the majority of workers, the 4% increase would mean an extra 60¢ per day for this year and 65¢ for next year.

The TUC, which has stated since 1984 that workers should earn $25.00 per day, at the very least, and that even this is inadequate, dismisses the 4% proposal in the letter as "not enough even to marginally cushion the hardships being experienced by workers arising from continuing increases in the prices on essential commodities and services, i.e. basic items such as sugar, rice, meat, fish, cooking oil, ground provisions, transportation and electricity".

The TUC executive have stated that considering both the substantial compromise already made by the TUC with regard to its original demand for a new minimum wage, and the considerable increase - even at an absolute minimum level - of living costs, their request for "a significant increase" in the proposed 4% cannot "be considered unreasonable".

Terms of Agreement

Georgetown GUYANA CHRONICLE in English 22 Nov 85 pp 1, 5

[Text] **THE Government and the Guyana Trades Union Congress have reached agreement on a new package of wages, salaries and related benefits for Public Sector employees for 1985 and 1986.**

The announcement was made last night in a joint communique signed by Chief Planning Officer, Clarence Blue, of the State Planning Secretariat, on behalf of the Government, and by Gordon Todd, Second Vice-President and Seelo Baichan, Executive member on behalf of the TUC.

The joint communique said public sector managers would be expected to make the necessary arrangements to expedite this payout once the appropriate guidelines have been issued.

The Government and the Guyana Trades Union Congress negotiators Wednesday concluded an agreement on a wage and related package for the Public Sector for 1985 and 1986 costing about eleven per cent of the Public Sector wage bill for wages and salaries alone. Workers in the bauxite and sugar industries, by way of across-the-board adjustment and performance appraisal award, will on average receive a 12½ per cent increase in their basic wage in each of the two years 1985 and 1986. The corresponding figure for the rest of the Public Sector is 10 per cent in each of the years 1985 and 1986. This agreement which would be retroactive to January 1, 1985, would involve the following elements:

1. (i) **across-the-board increases:** across-the-board increases for the Public Sector (excluding Guymine and Guysuco) in 1985 and 1986 of 6% and 5%, respectively. This would increase the minimum wage for new entrants from $15,10 per day in 1984 to $16,00 in 1985 and $16,80 in 1986. The increases for Guymine and Guysuco are of the order of 6% in each of the two years.

   (ii) **appraisal of workers performance:** appraisal of workers performance in the Public Sector (excluding Guymine and Guysuco) would yield on average further increases of the order of 4% and 5% in 1985 and 1986, respectively. The percentages for Guymine and Guysuco would be 6½% in each of the two years 1985 and 1986. Workers who in 1985 were recipients of the minimum wage would be entitled to this appraisal adjustment. These appraisal adjustments will on average further raise the wage for this category to $16,81 per day and $17,64 per day in 1985 and 1986, respectively.

   (iii) **special categories:** employees in the Public Sector (excluding Guymine and Guysuco) who are on piece rates would enjoy adjustments of 10% in each of the two years 1985 and 1986. In the case of Guymine and Guysuco the corresponding figures are 12½% in each of the two years. This would be in lieu of the two-tier adjustment suggested for time workers.

(iv) **time rates:** these would be converted to scales as far as practicable and across-the-board and appraisal adjustment as already outlined would be applied.

(v) **adjustment to reduce bunching:** employees who find themselves at the bottom or within a specified range from the bottom of their scales, after a number of years' service, will enjoy further adjustments which range from 5% for those with 3-5 years' service to as much as 8% for those with 8 years' service and above. This is intended to ameliorate the problem of long-standing and new employees receiving the same salaries.

2. (i) **Increases in pensions:** government pensioners, old age pensioners and recipients of public assistance will enjoy increases of approximately 10% on average for each of the years 1985 and 1986.

(ii) **travelling and meal allowances:** increases in these allowances have been agreed within the Public Service system and arrangements have been set in train to review same within the Guystac Group. Government and the GTUC are to discuss the application of the existing regulations within the Public Service, particularly in relation to payment in lieu of meals.

(iii) **retrenchment and equalisation of pensionable and non-pensionable posts benefits:** agreement has been reached in respect of payment to workers retrenched in 1982 and the equalisation of benefits to pensionable and non-pensionable posts within the Public Service.

AMICABLE

(iv) the Government and the GTUC have also reached agreement on **funding for the Critchlow Labour College** in 1985 and 1986.

3. While the negotiations were conducted in an amicable atmosphere, the Government and the GTUC recognised the need to continue to pursue avenues for improving the living conditions of the workers. In furtherance of this objective the two parties agreed to set up a number of committees to:

MODALITIES

(i) work out the modalities of implementation of the five-day work week which has already been agreed.

(ii) monitor on an on-going basis prices of an agreed sub-set of commodities deemed basic.

(iii) monitor and review the levels and distribution of income, including the structure of non-taxable allowances, in the public and private sectors of the economy.

(iv) monitor, review and submit to the Minister of Finance recommendations on the question of anomalies in remuneration.

(v) keep under review and recommend to the Central Government those areas which are best suited for the treatment of central determination, and those which are most appropriately treated by individual collective bargaining between individual unions and individual employers.

COMMITTEES

It is expected that these committees would commence work shortly and they would be reporting to the main Government/ GTUC standing forum on a regular basis.

The GTUC team was led by acting President of the GTUC Comrade Frank Andrews and included among others General Seccretary Cde Joseph Pollydore, Second and Third Vice-Presidents Comrades Gordon Todd and Komal Chand, and Executive Members Comrades Clive Thomas, Leslie Melville, Samuel Walker, Lennox Simon, Jean Persico, Christopher James, V.K. Gopaul, Seelo Baichan, Cleveland Charran and Selwyn Felix. The Government team was led by Minister of Finance Comrade Carl Greenidge, and included Minister of Manpower Comrade Kenneth Denny, Secretary to the Treasury Comrade J.D. Simmons, Chief Planning Officer in the State Planning Secretariat Comrade Clarence Blue, and Chief Labour Officer Comrade Oscar Moore.

Public Sector managers would be expected to make the necessary arrangements to expedite this payout once the appropriate guidelines have been issued.

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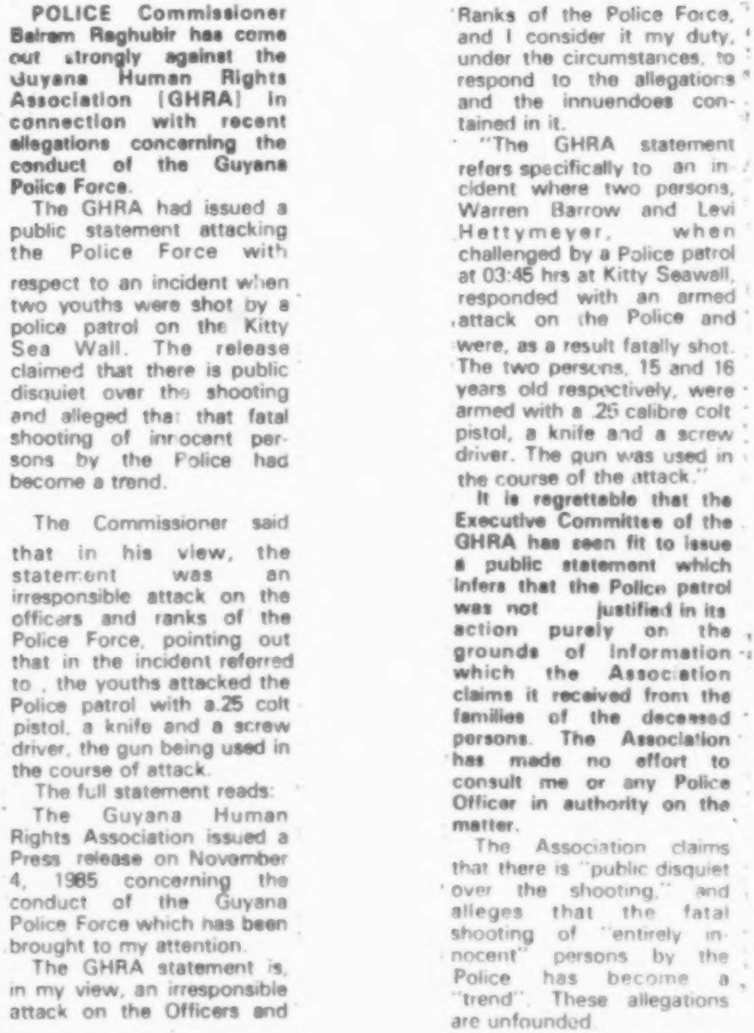
GUYANA

POLICE COMMISSIONER DISPUTES HUMAN RIGHTS CHARGES

Georgetown SUNDAY CHRONICLE in English 10 Nov 85 p 12

[Text]



POLICE Commissioner Balram Raghubir has come out strongly against the Guyana Human Rights Association [GHRA] in connection with recent allegations concerning the conduct of the Guyana Police Force.

The GHRA had issued a public statement attacking the Police Force with respect to an incident when two youths were shot by a police patrol on the Kitty Sea Wall. The release claimed that there is public disquiet over the shooting and alleged that that fatal shooting of innocent persons by the Police had become a trend.

The Commissioner said that in his view, the statement was an irresponsible attack on the officers and ranks of the Police Force, pointing out that in the incident referred to , the youths attacked the Police patrol with a.25 colt pistol, a knife and a screw driver, the gun being used in the course of attack.

The full statement reads:

The Guyana Human Rights Association issued a Press release on November 4, 1985 concerning the conduct of the Guyana Police Force which has been brought to my attention.

The GHRA statement is, in my view, an irresponsible attack on the Officers and Ranks of the Police Force, and I consider it my duty, under the circumstances, to respond to the allegations and the innuendoes contained in it.

"The GHRA statement refers specifically to an incident where two persons, Warren Barrow and Levi Hettymeyer, when challenged by a Police patrol at 03:45 hrs at Kitty Seawall, responded with an armed attack on the Police and were, as a result fatally shot. The two persons, 15 and 16 years old respectively, were armed with a .25 calibre colt pistol, a knife and a screw driver. The gun was used in the course of the attack."

It is regrettable that the Executive Committee of the GHRA has seen fit to issue a public statement which infers that the Police patrol was not justified in its action purely on the grounds of information which the Association claims it received from the families of the deceased persons. The Association has made no effort to consult me or any Police Officer in authority on the matter.

The Association claims that there is "public disquiet over the shooting," and alleges that the fatal shooting of "entirely innocent" persons by the Police has become a "trend". These allegations are unfounded.

"As Commissioner of Police, I have been at particular pains to ensure that the Police Force increases its efforts to reduce the incidents of armed robbery against and violent attacks on innocent citizens, while seeking to use the minimum possible force in performance of their duties. I am satisfied that my instructions are being carried out in both respects."

"In fact, Police Officers on patrol duty, during the course of apprehending suspected criminals, have frequently placed their own lives in jeopardy by using their weapons only as a last resort, and it is my belief that the general public is fully behind and supports the Force's efforts to maintain the law and reduce the incidents of violent crime."

"The following facts will demonstrate the irresponsible nature of the statement issued by the GHRA: During the period May 1 to November 7 this year, the police have arrested 50 persons for the unlawful possession of firearms and/ or ammunition. During this period the police were attacked on 29 occasions, resulting in the shooting of 13 persons. On each occasion that the police were attacked a Police Officer suffered injury and two Police Officers suffered serious injuries, one officer being shot in the throat and the other in the head."

"The percentage of fatal shootings which have occurred during the course of Police action against persons in the unlawful possession of firearms and/ or ammunition is 26 per cent, whereas the percentage of violent attacks against the police in the course of these arrests is 58 per cent."

"In the specific case cited by the Association, I am saddened by the fact that two young men still teenagers lost their lives, but it will be appreciated that, under the circumstances, the Police Officers on patrol could make no allowance for, even if it was possible to ascertain the ages of the persons bent on violence against them".

"In so far as the concern expressed by the Association for the administration of justice and the proper conducting of an inquest is of relevance, I am satisfied that the Police Force has fully adhered to the procedures required of it, both in regard to the particular incident cited and in regard to all other deaths which have resulted from a fatal shooting."

"Should the GHRA wish to conduct a responsible inquiry, I am certain it will find that my confidence in the Police Force adhering to these procedures is not misplaced.

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GUYANA

GOVERNMENT ISSUES DETAILS ON NEW VISA REQUIREMENTS

Georgetown GUYANA CHRONICLE in English 22 Nov 85 p 1

[Text] THE Home Affairs Ministry has issued a circular directing that visas be required of all non-nationals, except nationals of Suriname and 11 Caribbean countries, for entry to Guyana.

Persons born in Guyana or who hold citizenship by virtue of the citizenship of either parent, and in some circumstances, persons travelling on business with the Guyana Government, are exempted from the visa requirement.

Any person who is refused entry at a port of entry will be detained and placed on the first available flight, or vessel where applicable, out of the country.

The Home Affairs Ministry circular expressed "great concern" at the "frequency with which non-nationals arrive in Guyana without the necessary visa." It said airlines should urgently enforce the directive that where there is a Guyana Mission or Consulate, no ticket must be sold to any person wanting to travel to Guyana who does not produce a valid visa, and who is not exempt from the requirement.

The visa requirement applies also to persons in possession of work permits, who must obtain their visas before embarking on their journeys to Guyana.

Countries whose nationals are not required to secure visas for Guyana are Antigua and Barbuda, Barbados, Belize, Dominica, Grenada, Jamaica, Montserrat, Saint Lucia, St. Christopher-Nevis, St. Vincent and The Grenadines, Suriname and Trinidad and Tobago.

The circular also makes an exception in the case of Government Ministries, corporations and other State agencies, where it is established that an individual is coming on official business with the Government of Guyana and where it would be inconvenient for that person to comply with the visa requirements.

In such cases, the entity concerned must apply to the Home Affairs Ministry at least seven days prior to the visitor's arrival so that arrangements could be made for clearance at the port of entry. —(GNA)

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CSO: 3298/275

ARTICLE DISCUSSES PROS, CONS OF CARIBBEAN FEDERATION

Georgetown SUNDAY CHRONICLE in English 24 Nov 85 p 6

[Article by Chanraj Bhagwandin]

[Text] **CARIBBEAN leaders are once again pondering the idea of a political federal union for the region.**

But experts on Caribbean political history say this would mean carving a super structure that would clip the sovereignty and political power of individual states. And they question whether many Caricom states are prepared for this, and further, how feasible is such a union in the Caribbean, a region of diverse political background.

The idea came under focus two weeks ago when Trinidad and Tobago's Minister of Agriculture Kamaluddin Mohammed suggested that the creation of a Caribbean Parliament and a Federation would strengthen the Caribbean Community (Caricom).

PLURALISM

According to a report from the Inter-Press Service, Barbados Prime Minister Bernard St John favours the idea as an answer to the region's economic and political problems.

While no public comment has been made by Guyana, the late President Forbes Burnham is on record as saying that Guyana is willing to support political unification. However, such a union must recognise ideological pluralism, cautioned a senior Guyanese diplomat.

But Jamaica's Prime Minister Edward Seaga rejects the idea.

"Simply stated, we do not hold the view that Federation would be in the best interest of our region," Seaga said at a dinner held recently in honour of Trinidad and Tobago's Prime Minister George Chambers.

The federal idea was also rejected by the Jamaican opposition People's National Movement spokesman Percival Patterson.

Jamaica first pulled out of the ill-fated British West Indian Federation of the late 1950s after a referendum proved it unpopular.

The opposition People's Progressive Party also objected to Guyana becoming part of that grouping which it saw as being fostered by capitalist states to facilitate exploitation.

Trinidad and Tobago's George Chambers would not comment on the present debate.

Some observers argue that a political union of small states can put the region in a stronger bargaining position with foreign and economic competitors, and thus foster development.

With the pooling of resources, it can also facilitate easier administration but at the risk of building an expensive bureaucracy.

While the region has a history of functional co-operation, "it is doubtful whether the Caribbean Community, however effectively it may work, will ever develop into a political union", West Indian scholar William Demas said in an article published in 1972 in Trinidad and Tobago press under the caption: "What is the Caribbean Community".

Should Caribbean leaders attempt to impose a federal political union, they are likely to face a number of obstacles, in the opinion of several Caribbean political experts and historians.

With a history of failures of integration efforts in the region, doubts about the feasibility of a political union continue, especially in view of the current difficulties faced by Caricom.

Attempts by this grouping to co-ordinate foreign policy have met with limited success.

Some theorists even argue that such a union is impracticable because of the plural nature of member states which differ ideologically.

More significantly, "...the history of the integration action in the region has been consistently characterised by the absence of any movement of popular enthusiasm behind it," points out Anthony Payne in his book: "The Politics of Caribbean Community" published in 1980.

NATIONALISM

The absence of a balance of power among states looms as another serious barrier as is evidenced by the consistent differences between the More Developd and the Less Developed Caricom states.

However, as the European Economic Community has demonstrated, many of these problems can be overcome if a strong political will is present. Perhaps, what is also needed is a promotion, and further growth, of Caribbean nationalism. [GNA]

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GUYANA

CATHOLIC EDITOR CALLS FOR AID SANCTIONS AGAINST GOVERNMENT

Port-of-Spain TRINIDAD GUARDIAN in English 1 Jan 86 p 5

[Text] **BRIDGETOWN, Tues., (Cana):** JESUIT PRIEST, Rev. Fr. Andrew Morrison, a long-time critic of the Guyana Government, says foreign donors should seriously consider refusing aid to the republic, if human rights abuses continued and economic and social reforms are not instituted.

"If you are going to give money to a country which will not use it to the best advantage of the people, you might as well not give it. I have always said that," Morrison told Cana.

The editor of the Guyana "Catholic Standard" newspaper was en route yesterday to his homeland, after trips to North America, where he spoke to organisations on the deteriorating economic and political situation in Guyana.

He denied a report in the State newspaper, "The Chronicle," that he has used his trip to advocate an American-led destruction of the Guyana economy.

"I have just arrived in the island, and seen this headline, and I think its ridiculous," Fr. Morrison said.

"The Chronicle" said Fr. Morrison had been travelling to many countries of the world, maligning Guyana, and urging foreign governments to intervene in Guyana's affairs.

Fr. Morrison said he had been talking only about the poor state of the Guyana economy, the country's high indebtness and other truths.

Asked whether donors should decline aid, if the Government could not give guarantees of Press freedom and other civil rights, and put up structures to facilitate economic revival, Fr. Morrison said: ? "In, short, yes..."

Fr. Morrison said at one stage, Guyana was the highest per capita recipient of United States aid, and yet the economy of the country deteriorated.

He added that giving money or lending money to the country, at this time was, not the major need. Instead, he said, there was need for a reform in the society, so that the Guyanese people could work together as one nation, and that "they can get just rewards for their efforts."

"Morale is very important, I stress. If you have rigged elections, if you have a repressive regime, if people are not encouraged to produce, they lose morale and try to get away from the country," he added.

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BRIEFS

INJUNCTIONS AGAINST UNION--The Guyana Mine Workers Union have had three injunctions filed against them within little over a year. The latest injunction, filed on Oct. 24 last, sought to prevent the Union from holding its second biennial congress. The injunction was granted by Justice Ramao in chambers on Oct. 24, the day before the congress was due to be held. An injunction seeking to debar the Union delegates from participating in this year's aborted TUC Conference was filed in September, and in 1984 one which sought to bar certain union members from sitting at that year's TUC Conference was also filed. The GMWU's chosen theme for their congress this year had been "Democracy and Freedom: A Prerequisite to Economic and Social Progress." A number of motions were to have been considered, among them the issues of basic food items for Linden, transportation and free and fair elections. The feature address was to have been given by Mr Norman Semple, Regional Adviser to the International Labour Organisation on Labour Legislation and Relations, who had travelled from Trinidad for the purpose. [Text] [Georgetown CATHOLIC STANDARD in English 3 Nov 85 p 4] /9365

PRIVATE SECTOR ROLE--President Desmond Hoyte Monday reiterated Government's support for the private sector, when he met with Comrade Toolsie Persaud and Senior Executives of Toolsie Persaud Limited, at his Vlissengen Road Office. During the discussions the group pledged support for the party and government and undertook to work to ensure the party's victory at the polls. They also expressed the hope that the party would have a landslide victory. They also briefed the president on a number of issues relating to quarrying and the forestry sector, and on their efforts to improve production and productivity in those areas. The president thanked the businessmen for their pledge of support, and undertook to ensure that the operators in the two sectors were given every facility to increase their production and export performance. [Text] [Georgetown GUYANA CHRONICLE in English 6 Nov 85 p 1] /9365

REGIONAL SYSTEM PLANS--New Amsterdam, (GNA)--Vice President for National Development Cde Ranji Chandisingh yesterday said that five other sectors in the regional system in Guyana will be established soon, so as to give more power to the people. The new sectors to be set up are the Subregional Council, District Council, Community Committee, Neighbourhood Committee and the People's Cooperatives. Cde Chandisingh made the disclosure when delivering the main address at the fourth annual conference of the PNC at Rose Hall Primary School, Corentyne, where several groups pledged support to the party at the December 9 elections. Also present at the conference sponsored by the East Corentyne-Berbice Region were Finance Minister Carl Greenidge, Minister within the Ministry of Agriculture, Dr Simpson Da Silva and Regional Campaign Director, Allan Munroe. [Excerpt] [Georgetown GUYANA CHRONICLE in English 11 Nov 85 p 3] /9365

NATIONAL ELECTRICAL GRID--New Amsterdam, Berbice (GNA)--The first phase of the National 69 KV Transmission Line Project in Berbice was completed recently. This project involved the erection of two self-supporting towers--120 feet and 220 feet high respectively--at Lochaber, West Canje, and Stanvastigheid, West Bank, Berbice. This project will form a means of connecting the GEC Canefield Power Station with Onverwagt for the purpose of transferring high voltage power across the Canje Creek and the Berbice River. The work was carried out by two local contractors--the GEC and Construction Management Co. Ltd (CMCL)--and was completed within the scheduled eight-week period. A senior official of CMCL commended the workers for what he described as excellent performances and good team spirit. The next phase of the project which is to start shortly will be the linking up of Canefield Power Station with No 53 Power Station, and the Onverwagt Station with Sophia. This is part of the National Grid Programme which is to link up all the GEC power stations in the country. [Text] [Georgetown GUYANA CHRONICLE in English 4 Nov 85 pp 4-5] /9365

CSO: 3298/275

WHEELOCK SAYS PRICE INCREASES NOT AUTHORIZED

PA042330 Managua BARRICADA in Spanish 3 Jan 86 p 1

[Text] The Nicaraguan Government has not authorized any price increases for products--be they agricultural or industrial--or transportation, Commander of the Revolution Jaime Wheelock, agricultural development minister also in charge of production, employment, and salaries before the National Planning Council, assured BARRICADA last night.

Wheelock said that the recently decreed general salary increase does not authorize any industry or agricultural producer to increase their prices to the public.

The objective of the salary increase is to recover the workers' deteriorated standard of living, caused by 1985's inflation, which also affected professionals and technicians.

In the future, he said, any increase in the prices of consumer products will be duly announced and established by the central government. Wheelock said that the government feels that in the industrial sector the salary increase can be absorbed by basic production firms. This will probably affect the profits of many of these firms, but they can absorb it, he said. In other words, the salary increase must not be equated with a price increase in their products.

Regarding the agricultural sector, Wheelock said that most of the domestic consumption products for 1985-86 have been harvested, so any hike in the prices to the public is unjustified.

A similar situation can be seen in the transportation sector. "Fuel prices have not been increased, so transportation prices for cargo and passengers should not be altered," he said.

The member of the FSLN National Directorate did not deny that in the future there could be increases in the prices of basic consumption products within the revolution's economic adjustment program, but this will be duly announced and explained. Any sudden increases in this regard will be considered speculation and the organization must be reported.

"MICOIN [Domestic Trade Ministry] already has instructions to deal firmly with speculators and abusers," he concluded.

/6091
CSO: 3248/143

HEALTH MINISTER REPORTS ON CURRENT MEDICAL SITUATION

Managua LA PRENSA in Spanish 7 Nov 85 pp 1, 10

[Text] The minister of health, Dora Maria Tellez, stated today that the flight of medical specialists from Nicaragua "is very unfortunate." She added: "The revolution cannot be subjected to blackmail" by the health professionals.

At a breakfast with representatives of the foreign press in Nicaragua, the minister maintained that her government does not have the money to pay what some Nicaraguan medical specialists ask for working in the health centers.

She maintained: "How could we pay you the million cordobas you ask for if we do not have it?"

She added that there is no obstacle to the private practice of medicine in the country. She stated that there are doctors who are only in private practice.

Minister Tellez felt: "Private medicine can play a social role in this country like private enterprise does. There is no restriction."

As to the national campaign that her office is now carrying out against a dengue epidemic, the Sandinist official said that they have spent more than 100 million cordobas to fight the disease so far (at the exchange rate of 25 to 1).

She also reported that the Red Cross in the Nordic countries recently donated 200 tons of insecticide to Nicaragua to fight the dengue epidemic. This saved the government about $1 million.

The minister stated that the Cuban Ministry of Public Health has also supported and helped organize the campaign against dengue.

In October, President Daniel Ortega publicly expressed the possibility that the presence of dengue in Nicaragua is due to "bacteriological warfare" unleashed by the U.S. Government.

Minister Tellez said that "we do not yet have" the results of those investigations.

She stated: "It takes months to seriously study all elements. What concerns us is how dengue appeared and when."

The minister who is also a guerrilla commander and Sandinist representative to the National Assembly stated that "they cannot perform magic" with the tight budget that the Ministry of Health receives.

She stated: "The more war there is, the less budget there will be for health."

Referring to medicine, the guerrilla commander said that Nicaragua spends its total annual revenue from meat exports to buy medicine.

The trade blockade imposed by the United States affects foreign currency revenue. Meat, for example, must be sold to new markets at a lower price which means less revenue to buy medicine.

She said: "Nicaragua consumes about $40 or $50 million in medicine each year."

The minister also maintained that the increase in cases of diarrhea in Nicaragua during the last 3 years is caused by several factors.

For example, the guerrilla commander said that there are fewer garbage trucks in Managua now than in 1982 which obviously causes a health problem.

The minister of health stated categorically that there have not been any cases in Nicaragua so far of the virus that causes the disease known as AIDS.

She stated: "There could be two reasons for this. Either there have not been any cases or we do not have the necessary technical means to make a diagnosis."

However, the minister said that she had asked for information from WHO on how to fight that disease that is just becoming known in the developed countries.

The minister called the law which prohibits abortion in the country under penalty of jail an "idiotic law." However, she maintained that this law could not be changed without "a social consensus."

Minister Tellez said: "Hundreds of women are seen at Bertha Calderon Hospital for injuries caused by abortions done by unqualified persons."

The minister maintained that the main problem is that women still get pregnant without wanting to be. There must be an educational campaign.

A Mexican journalist cynically and disrespectfully asked if that "idiotic law" corresponded "to an idiotic people." The guerrilla commander responded that it is due to a certain "conformity" of the Nicaraguan women.

7717
CSO: 3248/115

EDUCATION MINISTER ON TEACHERS BRIGADES

Managua BARRICADA in Spanish 15 Nov 85 p 5

[Excerpt] "To mobilize a brigade of 1,500 youths to the countryside to teach reading and writing is a great accomplishment in any part of the world...but if we view it in the light of danger, war, and death, it acquires heroism and human beauty." Father Fernando Cardenal, minister of education, stated this yesterday.

He said that the seven teachers murdered by the mercenaries while they worked in the 50th Anniversary Educational Brigade exemplify the history of the "Educational Department of the Defending Army, Sandino, and Carlos Fonseca's ideals about the projects of the revolution."

Fernando maintained that the youths killed are heroes of the people, "very special heroes." He explained that if death in combat with a rifle--where there is the real possibility of dying--is a mammoth feat, the death of someone who is not only teaching others to read but is also unarmed is even more moving.

Accomplices Who Keep Silent

Father Cardenal asked: "What words can be used to express these deeds?" He pointed out that these murders "deserve repudiation from all sectors in all the countries of the world. The hierarchy of the Catholic Church must be the first to condemn them."

He indicated that if there is "criminal complicity" when there is silence about soldiers killed in defense, "what can we say about those who are silent facing the cruel murder of these youths who did noble work like teaching someone who does not know?"

He continued: "As Leonel Rugama said, these youths did not say that they loved the peasants but showed that they loved them...and even gave their lives for them. This is opting for the poor."

Awareness of This Marvel

Fernando placed his hopes and his complete confidence "in this new Nicaraguan youth," in the fact that 75 percent of the members of the brigade have decided to remain as teachers in the mountains. The Region I Vanguard has 90 percent of its brigade members signed up for next year.

The minister stated: "This is a marvel and it is important that we do not see this marvel without realizing its importance." He again pointed out the heroism of the murdered youths and those who are still in the hands of the counterrevolutionaries.

He stated that the revolution will pay homage to the murdered brigade members when the brigade is received in Managua in December. However, he stated: "The greatest homage will be more volunteer teachers joining and the people constructing a special monument in their hearts to them."

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PRIMARY SCHOOL DROP-OUT RATE DISCUSSED

Managua BARRICADA in Spanish 28 Oct 85 p 6

[Article by Roberto Fonseca]

[Excerpts] Since the 1980-81 school year, the primary school drop-out rate has risen to more than 15 percent which makes it an alarming problem.

For example, it reached 17 percent in Managua last year while this year it increased to 20 percent.

In Region IV which includes departments like Masaya, Granada, Carazo, and Rivas, 8,153 children, representing 8 percent, dropped out of school in 1984. This has now increased to more than 10,000 children or 12 percent. Enrollment has gone down almost 20,000.

Throughout the country almost 100,000 children leave their studies "halfway through."

According to Carlos Aguirre, regional delegate of the MED [Ministry of Education] in Managua, there are several causes. The MED official said: "The physical conditions of the schools affect the school drop-out rate. If the roof is bad or if they have to sit on the floor due to a shortage of desks, they will very likely leave school." In Managua, for example, 80,000 children sit on the floor because there are not enough desks.

Aguirre stated: "Unemployed people have trouble keeping their children in school even if it is free." For example, a graphite pencil costs about 50 cordobas. A beverage costs at least 30 cordobas a day. He stated: "When they are on a tight budget, they opt to take them out of school."

Another element that discourages the child is a lack of labor discipline--"that is, teacher absenteeism." He argued that this is due to the fact that more than 70 percent of the teachers are women. "If the teacher is not sick, her children are so she does not come." That is the great problem of the working woman in Nicaragua.

Teachers Give Opinions

Lucy Campos Enriquez is the director of the Ruben Dario School which children from the districts of San Luis, Larreynaga, Las Torres, and Mercado Oriental attend. Some 257 children have dropped out of this school, 159 from the morning session and 88 from the afternoon.

The director stated: "The majority of the children have few economic resources. Most of them sell tortillas, tomatoes, etc. This takes time away from their studies, they do poorly in class, and the parents mistakenly opt to withdraw them."

According to a census taken at this school, 15 out of every 30 children work. She indicated that those who drop out are almost always in first to third grade. "Since they are little, they say that it is nothing to lose a year." The result is that "we have youths up to 16 or 18 years old who are still in primary school because the parents have taken them out of class and they have to repeat."

However, the causes are not all due to strictly economic factors. "Many of the children have family problems because they live with their stepparents who do not care about their future." She added: "It is more important to them for the children to work."

She indicated that another problem is the parents' lack of interest in supporting their children in their daily studies. Some do not know how to do it, perhaps because they have just become literate. However, she stated: "It is not always necessary to know. It is enough to just check the notebook." She added: "There are parents who do not even know if their children really come to class."

For example, a 12-year-old boy who was in third grade only went to class 6 days in September. "They thought he went to class but he spent the entire day goofing off." She stated: "This shows the need for a well-educated family that is concerned."

Director Makes Parents Responsible

At the Luis Alfonso School located in Maximo Jerez, 156 children have stopped learning their numbers and letters. Victoria Moina, assistant director of the center, indicated: "we have had to combine several grades. There are two second grades in the morning session and two first grades in the afternoon."

She stated: "The parents do not usually report withdrawals although they are obliged to report this to the school director." However, the parents do not have sole responsibility. The teachers are not concerned about learning in-depth causes. The problem is handled impersonally through a written note.

The director said: "The teacher sends a note asking if the student will continue or not. In some cases, the parents answer with a note. In other cases, they do not even do that."

The parents claim the withdrawal is due to a change of residence. However, they do not ask the school director for verification to enroll them when they move. Therefore, they will not continue in school.

She also acknowledged: "If the teacher does not come, neither do the children. They get tired of coming and leave school." She added: "Every day five or six teachers per session are absent."

Another cause is the break-up of a marriage, according to the director. "Generally, the mother leaves with the children."

Idalia Martinez Torres, a first grade teacher at that school, stated that the absence of the teachers is often due to the fact that they do not have anyone to leave their children with. The director prohibits bringing them with the teacher. "We have requested that, but they have not listened to us," she said. She stated categorically: "This measure is not covered in any MED regulation."

She indicated that it is hard for the teacher to personally attend to each dropout "because we leave late and we have to get home early."

ANS Indicates Basic Problem

Marissa Olivares, regional secretary of the ANS [Association of Sandinist Children] in Managua, stated that the basic problem is that education is very cold, very rigid. She stated: "The children feel that school is very boring; they do not like it." Some even view it as a boxing ring.

She indicated: "The classroom must be more informal so that the child feels good, confident." She added: "There is a problem with the teacher's concept that she is the only one who has opinions because she knows it all."

She stated: "In the MED there is more concern about administrative matters than pedagogical ones." She asked when an educational technician has been interested not only in statistics but in how education is going or in sports for the children. "These are as important as reading and arithmetic."

Another problem is the lack of motivation of the teachers. "There is no incentive policy for the teachers. However, there is for professionals, technicians and workers." She added: "It should be the most exalted profession due to the importance it has for society."

Solutions Proposed

Marissa indicated: "Our main effort must be to help make the school more attractive and pleasant for the children," working with the teachers so that school becomes more informal and working with the parents so that the environment is more favorable.

Carlos Aguirre, a MED official, indicated that "the solution to the problem lies in society as a whole and, more concretely, in the educational community of each school." He considered the parents a basic part of this. "They must put education first among the needs of their children."

He also stated: "Community action can help us a lot in this." He indicated that the CDS [Sandinist Defense Committees] can help by talking to the parents about why their children do not stay in school.

Meanwhile, thousands of children wistfully watch their dreams of continuing school and becoming a doctor, a professional, a technician, or a skilled worker disappear.

7717
CSO: 3248/115

NICARAGUA

EDITORIAL EXPLAINS MILITARY RESERVE SERVICE

Managua BARRICADA in Spanish 29 Oct 85 p 3

[Article by Captain Pozo]

[Text] Who Must Register?

Comrades required to register with the Military Reserve Service (SMR) are those born between 1 January 1945 and 31 December 1960.

For the purposes of this registration and in order to facilitate this task for workers, registration boards will be set up in every work center. These boards are empowered to register citizens in the age group given.

The registration boards are going to be set up and some are already at work in work centers. These boards are made up of comrades who head the work centers, trade union leaders and other mass and political leaders of work centers.

At these places, registration will be carried out on 30, 31 October and 1 November, based on the schedule which the boards have. The number of comrades at each center will be spread out over the three days so as not to affect production.

The lists of comrades who must register have already been made up.

Every citizen will fill out the registration papers following an official format drawn up by the Ministry of Defense.

After these sheets are filled out, the boards will issue a card to the comrade proving his registration or they may also issue the customary military draft card. The card must always be carried, according to the instructions issued for all activities of male and female comrades.

[Question] How will those making up the reserve units be chosen?

[Answer] Citizens registered for military service will be assigned to reserve units, following their selection.

We wish to take this opportunity to note that in the summons appearing in the newspapers today, it was stated, possibly due to a printing mistake, that these persons will gradually be assigned to the different military units. This could practically be interpreted to mean that all comrades registered will be assigned to such military units.

We wish to make it perfectly clear that not all comrades registered will be assigned, but rather, it will be only part of them, based on a preliminary selection and criteria that we have already established, such as, for example, combat experience, military and technical ability or training that comrades may have acquired. Many of those who will register are comrades with up to five, six or even eight mobilizations in old reserve battalions, so that this will be a fundamental criterion in the choice.

We repeat: Not all comrades registered will be called; only part of them will be assigned to reserve units. This clarification is mainly for point 5 of the summons which was published today.

That same summons notes the requirement to register, based on the Patriotic Military Service Law in general and Article 42, paragraphs a and b, which should be read along with the summons: "Citizens who fail to comply with this summons without proper justification will, if between the ages given and at the work centers noted, be subject to Article 42 of the law, which states:

"a) anyone failing to appear within the period of time set for registration: imprisonment for between 3 months and 2 years; and b) anyone not appearing when summoned for the hearing, examinations or medical treatment or related reasons: imprisonment for between 1 and 6 months."

When there is a cause justifying the absence of the comrade or failure to appear for registration, there will be no problem. For example: "I did not register on 31, 31 October or 1 November for the following reasons and I have now come to exercise my right and fulfill my obligation to register." The reasons must then be given by the comrades.

In order to ensure that all comrades register, a series of clarifications have been issued. For example, on Saturday two weeks ago, training talks were given for all comrades who will function as recorders on the boards and the work centers were visited in order to set up, become familiar with the work of materially registering comrades and engage in all the work of clarification and explanation concerning Reserve Military Service.

Following registration, these comrades will be chosen by a committee that will include, in addition to zonal military delegations, the heads of or officials from reserve units to which these comrades will be assigned. Possibly between 24, 25 and 30 November, we shall summon comrades chosen to appear before the zone military delegations for their assignment to reserve battalions. The battalion in question will be linked to the place where the comrade lives.

In other words, the assignment of workers to their reserve battalions will be based on the place of residency and on what residential battalion area the comrade's address corresponds. This is how the smaller reserve units will be made up.

Not Relieving BLI Troops

We do not know why a number of persons have circulated the idea that the reserve troops will replace or relieve those comrades now in the BLI. It is even illogical to think that the comrades in reserve units, who will receive no more than 1 month a year or 2 weeks of training every 6 months could replace the comrades in the BLI, who receive another type of training. From the very standpoint of age, these are comrades from 25 to 40 years old and those in the BLI are young men from 18 or 19 to 23 or 24 years of age. In other words, the reserves will not replace any troops in the Active Military Service. Comrades in the Active Military Service already have their own replacements who have come from the recruiting we have done in previous months.

In other words, these men cannot be replaced with reserve troops.

There were other concerns about whether the comrades would be regrouped when called for military training. Some thought that the training would be given in one place, during the day, and that they would return home at night.

That is not possible. The military training they will receive is intensive. It is imparted at a given field area and the troops will have to stay there as long as the instruction lasts.

In general, the workers are highly willing, as we have seen at the different assemblies held. Some workers want to know if they are going to receive all their military equipment, if they will have uniforms and boots. We explained that they would, that they are properly organized reserve units and that they will have their own logistical supplies ready to be assigned to each and every one of them. This will ensure the fighting preparedness of these units for any situation or any direct military attack on our capital by American imperialism.

Pay

Intensive work of clarification has been done so that our people will know our official response to a number of concerns we have observed at the assemblies.

We wish to present these concerns along with all the answers so that our people may know them.

Some workers have asked if, when they are mobilized for military training, their pay will be maintained.

The answer is positive. First of all, the combat training or mobilization of reserve troops for military instruction is established by law at 1 month a year or 2 weeks every 6 months.

During that period, whether of 2 weeks or 30 days, comrades will continue to receive their wage and will naturally maintain the post or responsibility he holds at his work center.

Another of the concerns is whether they will leave Managua for training and this question mainly comes from comrades who have little experience with military training.

We have clearly stated that the military training is not necessarily received in the urban area of Managua strictly speaking, although the units are for the defense of the capital. They are among the main defense forces of our region, but the training has to be sought, the combat training has to be given, while seeking the greatest possible similarity to the reality in which those comrades might be involved. Consequently, it may be given in places near the capital.

Registration Is Not Draft

A specific number of comrades will be assigned to the roster of a reserve battalion; these troops will make up the reserve battalion. First of all, one must eliminate the idea of recruitment. In the Reserve Military Service, there is no recruitment. What one has is an assignment from the zone board to the reserve unit.

The process will more or less be as follows: We shall summon the comrade based on the territory. His official summons will arrive and such summons will be spread out so as not to affect production. Comrades will be assigned to a small unit, let us say, Company 1 of the 1st Battalion of a given brigade. He is simply assigned to the unit and told: "Look, your squadron leader is so-and-so, your platoon leader so-and-so, your company leader so-and-so, your residential area here, the notification plan we will follow such-and-such, and so on." Everything will be explained.

Later, after the formalities are taken care of, the comrades are released to wait until they have gone through everyone. When we have the battalion completely formed, the battalion leader calls all the troops to fall in and the final organization is given to the battalion. The men are shown the battalion headquarters, all the members of the staff are introduced and all the specialists named. This is a simple ceremony and the men then proceed to their respective jobs.

As far as the military training of the comrades, which is what we are mobilizing for, it will be based on a program of combat training to be put together by the military region.

The military training will be organized based on the criteria of the different ministries or areas heading up the different production sectors, because it is possible that based on the assignments made, several comrades from the same work center may be concentrated in the same small unit. Consequently, in mobilizing the battalion or a small unit, we would be directly affecting the production of such work centers.

We therefore repeat these criteria of assignment of comrades and the criteria for drafting plans of military training based on dates. They will be analyzed by the Ministry of Industry along with us and with other institutions that are related to productive activities. In this way, we shall not affect productive activity.

Given an emergency situation, if there is an attack and we are being invaded, for example, the plans and mobilizations will then move to another level, to a war footing. This would be another situation confronting us. Based on numbers, this is an internal matter for the army. We do not generally give out numbers for staffs or personnel; that is a matter of military secrecy.

[Question] Will the different areas of specialization of those registered be taken into account?

[Answer] Yes. The area of specialization of comrades and the experience of which we have spoken, combat experience, will be taken into account, even their ages. If we can choose from among the number of people we will register comrades up to the age of 33 and 34 and still meet our quota, then that is as high as we will go in assigning comrades to reserve units. As far as areas of specialization and skills which the people have, that also will be taken into account.

For example, there will be comrades who have already taken technical and military training courses and who are already specialists. They can be squadron leaders and communications chiefs, if their specialization is that they are TELCOR [Nicaraguan Telecomm-nications and Postal Services] workers. They can be the heads of small transport units, and so on. Furthermore, TELCOR comrades and workers from COVIN or MINVAH [Ministry of Housing and Human Settlements] will be assigned to units such as the Communications Battalion, for example, which will be made up of personnel with such technical skills.

[Question] What will happen in the case of private companies, some of which have even penalized the workers?

[Answer] We are already working with some 17 private companies and have had meetings to clarify the situation. The directors of the private companies have had a meeting with us in order to be trained and they were quite willing to carry out the registration at their centers of work.

At the same time, they were told of their obligations, of the duties they have to the SMR law, and we hope that there is no difficulty with respect to their workers. If there were some problems, they were possibly at the beginning of the work with the Active Military Service and they are being overcome. We have smoothed away some difficulties and for the Reserve Military Service, we repeat, this is being settled and everything is ready to begin.

[Question] Captain, since you cannot give exact numbers, you could possibly tell how many people will be affected in general.

[Answer] Workers?

[Question] Workers in general.

[Answer] We can say that in Managua, it is considered that there are some 45,000 workers of all ages working for the government or in the People's Property Area, including that small group of private businesses. The criterion for assigning them was that they had over 100 workers.

One could do some figuring and say that of that total number of workers, only those between the ages of 25 and 40 would be affected. Of those we shall register, 43 percent will be assigned to complete our reserve units, meaning that 57 percent will be registered but not called at the present time or assigned to reserve units, and they will remain with the possibility of continuing in the militia units.

[Question] What will happen with those working in Managua and traveling to the departments?

[Answer] There are two types: floating personnel, meaning the personnel remaining here all week and going to their place, to Granada, Masaya, for weekends. Those comrades will be registered here and assigned to where they spend the five days of the week.

Comrades who only come to work during the day and who go home at night will also be registered, but in order to be transferred to their region later, so that the reserve work may begin at the proper time. It would serve no purpose to have them registered here if we cannot mobilize them for a given emergency situation because they are spending the night somewhere else and not spending most of their time in Managua.

[Question] What will be the basis for determining the period of 2 weeks or 30 days?

[Answer] It will depend on the criteria we have mentioned here and productivity.

[Question] When will the enterprises not on today's list be called?

[Answer] The list contains all the work centers we require.

[Question] In other words, those not included are exempt?

[Answer] That is correct, for this first phase.

[Question] When does the second phase begin?

[Answer] We are not yet ready.

[Question] .... [sic]

[Answer] The military units have their own premises, their battalion headquarters and will have their own store, supplies, and so on, which is where they will keep all their military equipment. We already have experience in this; our people know that the militia units keep their guns, weapons and that when notified, they go get them for any emergency situation.

[Question] (Not audible)

[Answer] All, from the comrade who heads a work center to the doorman, the worker with the least responsibility; they will all be registered. We repeat: They must register, but their selection and assignment to reserve units will be based on the criteria that we have.

[Question] What about those in the MPS [Sandinist People's Militia]?

[Answer] If the comrade is of the age of Reserve Military Service, from 25 to 40 years of age, and is working at the centers we have chosen, he must register. If, after he has registered, we choose him and assign him to a reserve unit, he will leave the militia and go to the reserve battalions.

[Question] Have you calculated the percentage of personnel who will leave the country because of this measure?

[Answer] No, and we hope that that will not happen, any flight of our comrades. The assemblies we have held with workers have included the directors and professionals at those work centers, along with technicians, and we have discovered this attitude: Anyone thinking (about leaving), I imagine has been doing so since long before the matter of the reserves. Furthermore, there is no reason to leave because we will possibly take into account the fact that if someone has that fear of not being militarily prepared, then that will also have to be taken into account.

We cannot call up a person with such an attitude. Furthermore, in view of that concern, we have felt at the assemblies that this matter of military training was something expected. We felt a kind of exigence on the part of our comrades. I do not know if you remember, but when we advertised the Active Military Service, it was decided why only the young men of 18 to 24 had to registered, why only the young men and not I, who need to be trained. We perceived it as a right, a demand on the part of comrades that they be prepared for any situation, in order not to stand idly by in any emergency. We therefore have not seen the need to calculate such things.

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NICARAGUA

BRIEFS

USSR DONATES SUGAR, RICE--Within the context of the "Nicaragua Must Survive" international drive, a Soviet ship arrived today at the port of Corinto, 151 km west of Managua, with a substantial donation for the Nicaraguan people. The gesture of solidarity from the Soviet people is represented by 14,020 quintals of sugar and 9,520 quintals of rice. [Text] [Managua International Service in Spanish 0000 GMT 4 Jan 86 PA] /6091

DANISH LOAN--More than $150,000 in equipment for poultry farms has arrived from Denmark, according to information released by the Agricultural Development and Agrarian Reform Ministry (MIDINRA). This equipment has been assigned to state poultry farms with a daily production of more than 16,000 dozen eggs in order to increase their productive capacity and enrich the Nicaraguan people's diet. This $150,000 is part of a line of credit which was given by the Danish Government to Nicaragua. [Text] [Managua Radio Sandino in Spanish 1750 GMT 18 Dec 85 PA] /6091

CSO: 3248/143

FOREIGN EXCHANGE RATE FLUCTUATIONS ANALYZED

Asuncion ULTIMA HORA in Spanish 2 Dec 85 p 8

[Text] In the first half of November, the open rate of the dollar went down more than 100 points. This trend changed in the second half and the month closed 60 points under the rate at the end of October.

The behavior of the dollar during the year was marked by a rising trend until August. In January the dollar was quoted at 400 guaranies, in April the rate was more than 500 guaranies, in June it reached 600 guaranies, in July it rose to more than 750 guaranies, and in August the dollar set an all-time record at 1,100 guaranies.

After this peak in August, the dollar began to deflate. The selling rate in September closed at 850 guaranies, after having gone down temporarily to 720 guaranies. In October it closed at 710 guaranies after going down to 700 guarnies. It closed in November at 650 guaranies after having gone down to 600 guaranies.

It can be seen, then, that the dollar rose 700 points from January to August and then went down 450 points from August to November. At the end of November, it was 250 points above the level recorded in January.

November

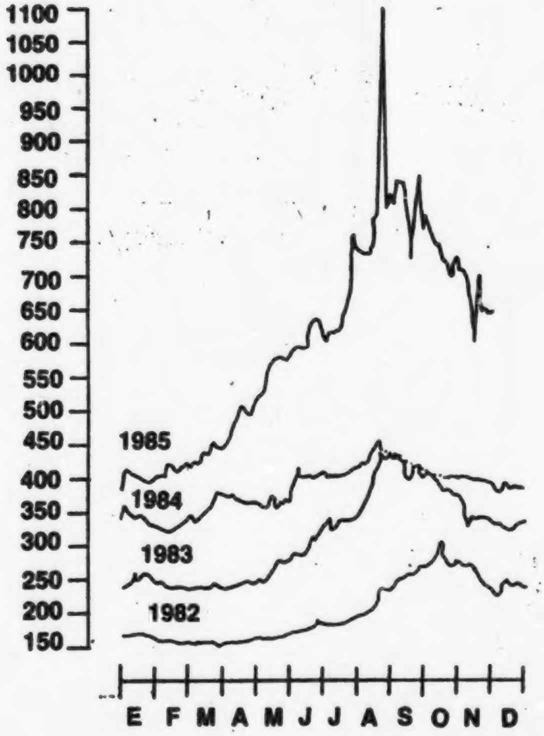
In the first half of November, there was a vertical drop from 710 guaranies on 4 November to 600 guaranies on 13 November. However, this slide did not continue.

On 15 November, the rate went up to 660 guaranies and, on 18 November, it rose again to 700. The dollar again dropped later, but more moderately, until it more or less stabilized at around 650 guaranies.

The selling price went down to 650 guaranies on 21 November, rose to 665 the next day, dropped again to 650 guaranies on 25 November and to 645 on 27 November. It rose once more to 650 guaranies on 29 November.

In December, the rate will probably waver between 660 and 650 guaranies, not continue to drop.

COMPORTAMIENTO DE LA
COTIZACION DEL DOLAR 1982 – 1985
(TIPO VENDEDOR)



Behavior of the Dollar 1982-1985
(Selling Price)

The chart shows the behavior of the open rate since 1982 and its evolution during different times of the year. The similarity in trends is noteworthy although the sizes of the rises and falls differ.

In 1983, the rising trend increased compared to 1982. In 1984, this escalation stopped, softening the rising curve. A relative stability was expected in 1985 but there was a very pronounced rising trend that broke the mold of the previous years. There was also a greater decline in the second 6 months.

With this background, there is great probability that the dollar will behave the same in 1986 although the size of the rising trend cannot be predicted.

We must keep in mind the historical behavior of the local rate for U.S. currency which, at the very end of the year, goes down to rise again in the first months of the new year.

It is also necessary to consider that it showed atypical behavior in August of this year, setting a record that many hope will not be repeated.

The behavior of the dollar in 1986 will depend on, in addition to structural factors, the policy that the government adopts on rates of exchange for foreign trade and for the entrance of capital.

This year, the system of anticipated foreign currency established for cotton and soybean exports had a major influence on the domestic foreign currency market.

Business sectors expect the Central Bank to order new adjustments of the rates of exchange for exports.

7717
CSO: 3348/288

FULL INVESTIGATION OF BCP FOREIGN EXCHANGE FRAUD URGED

Asuncion ULTIMA HORA in Spanish 28 Nov 85 p 14

[Editorial: "Fraud in Central Bank of Paraguay"]

[Text] The scandalous fraud in the Central Bank of Paraguay, governing organization for national currency, must be cleared up completely. The judicial investigation of the case is uncovering frauds and illegal procedures totaling millions of dollars.

While the country was facing its worst crisis in its exchange system, officials who control and supervise foreign currency operations committed fraud, apparently on an unprecedented scale in recent years. People from firms and enterprises outside the bank, allied with some directors, also participated in the fraud.

Suddenly the corruption has been revealed. Systematic accusations from past years are finally receiving the investigation they deserve which the honest citizens of the country have been waiting for.

This clarification at the judicial level must be followed, as is already happening, by the dismissal of those indicted and their subsequent punishment based on the law and the economic and financial harm that they have caused the country.

It is also just to expect that they repay the treasury for the money and assets taken from its coffers or those that should have been deposited in them. Otherwise, the punishment will not set an example and theft and illegal appropriation of what belongs to the state will continue to enrich dishonest officials.

As hearings continue, new names appear and extraordinary figures are revealed. The case of the manager of the Central Bank of Paraguay, Augusto Colman Villamayor, is simply an example of the impunity with which fraud within the institution was tolerated for a long time. It is not appropriate to say that he was perhaps induced or encouraged by foreigners to become corrupt. No matter how much confidence he merited in the performance of his duties, no excuse can alter his responsibility as a top state official to work correctly and honestly.

Now is the time when public attention justifiably focuses on the Central Bank cases. There is no question about expecting complete disclosure about those responsible for the fraud. The expurgation of its atmosphere, getting rid of all those who acted irregularly, must be a decisive step toward recovering its needed reputation and reliability.

The material and moral damage inflicted on the country is too great to make distinctions or establish gradations in these criminal deeds. No one, no matter how powerful, can have impunity when the objectives of justice in this case are to investigate, clarify, and apply the law equitably but strictly.

7717
CSO: 3348/288

PARAGUAY

BRIEFS

EXPORTS REVENUES-- From January to November of this year, soybean seed and cotton fiber contributed revenue of $252.1 million or 83.9 percent of the total revenue of $300.5 million for exports from our country. The unit values of these products were $148.20 per ton for soybean seed and $598.70 per ton for cotton fiber, according to the General Directorate of Customs. Export prices per kilo, FOB, were 47.4 guaranies for soybean seed and 191.6 guaranies for cotton. Soybean exports reached a total value as of November of $112,524,252 for a total volume of 759,374 tons or 37.45 percent of the country's exports. The total value of cotton exports was $139,568,011 for a total volume of 233,104 tons or 46.45 percent of the total export revenue. Next comes the wood sector which exported 182,281 tons for a value of $8,863,642 or 2.95 percent of the export revenue. In fourth place is tung oil which contributed 2.06 percent of the foreign currency from exports or $6,183,858 for a volume of 7,765 tons. Meat products and edible oils (almond, palm, soybean, coconut, peanut, cotton) share fifth place with 1.96 percent of the total revenue. Meat products yielded revenue of $5,894,263 for a volume of 18,041 tons and edible oils produced revenue of $5,891,433 for a volume of 11,629 tons. Tobacco was next with 1.62 percent of the total revenue, contributing $4,862,824 for a volume of 4,343 tons. In seventh place is quebracho extract (tannin), 1.18 percent with revenue of $3,555,147 for a volume of 5,174 tons. There were also contributions from the following sectors: peanut, $3,092,153; essence of petit grain, $2,265,866; essence of mint, $1,963,064; and spurge seed, $1,913,375. The essential oils (petit grain, mint, lignum vitae, eucalyptus, citronella, rose palm) together totaled $5,100,438 or 1.7 percent of the export revenue. [Text] [Asuncion ULTIMA HORA in Spanish 4 Dec 85 pp 12-13] 7717

CSO: 3348/288

PERU

CANDIDATES FOR MAYOR OF LIMA BEGIN CAMPAIGNS

PPC: Bedoya de Vivanco

Lima EL NACIONAL in Spanish 1 Dec 85 p 10

[Interview with Luis Bedoya de Vivanco, mayor of Miraflores; date and place not given]

[Text] During the second half of next year, the third municipal elections since democracy was reestablished will be held in the country. This contest, as in the two preceding cases, will serve as a thermometer to measure the support which the electorate is giving the central government, in this case headed by Alan Garcia, which on 14 April took office with a historic and overwhelming majority of votes.

Although with the caution the circumstances dictate, the main political forces have begun to draft their internal strategies, above all for winning the post of mayor of metropolitan Lima, an important political bastion wherein 6 million people are represented, in other words one-third of the population of Peru.

In the Popular Christian Party [PPC], it is regarded as almost certain that the candidate for mayor of Lima will be Luis Bedoya de Vivanco, although the congress that party is to hold in the early months of next year will have the last word. The heir to the political reputation of his father, Luis Bedoya Reyes, the "Tucancito" (Little Toucan) has plunged into public life with brilliance since he became mayor of Miraflores.

A lawyer by profession, during the Belaunde regime, he served as an adviser without compensation to the ministries of industry and justice which, it will be recalled, were headed by PPC members. Luis Bedoya has served for 3 years as deputy secretary general for politics of the PPC. Winning the post of mayor of Lima is for him one of his most cherished political dreams.

Mayor of the Year

[Question] How do you assess your own municipal administration?

[Answer] My municipal administration has been positive. I say this because a periodical chose me as "mayor of the year" in 1984, while another included me on a list of the 10 best mayors in the country for 1985. In fact, I have tried to launch a program of change, in some very dramatic respects, in order to make Miraflores into an orderly, clean, attractive city without problems. The projects we are carrying out, basically affecting the social and cultural sectors, have been possible in principle because we undertook a real organization of the municipality which made us the only district carrying out projects with its own resources. We quadrupled income in Miraflores in the first year, and doubled it in the second, thanks to efficient fiscal work and a system of payment facilities for taxpayers.

We are leading a municipality with a peaceful labor sector, with resources and with a well-organized administration. In the city, as the residents can attest, there is cleanliness. There are no problems with transients, the streets and sidewalks, some sections of which had deteriorated, are being repaired, and public lighting is much improved today, following the launching of a campaign for the lighting of the streets and avenues. One of the most important projects we leave behind is the 5-Kilometer Park, which is being built on the Costa Verde, which is destined to become a recreation center for many, including athletic fields and facilities for the leisure and amusement of both children and adults. I call this project "the social club of the poor."

[Question] What is your view of the administration of Dr Alfonso Barrantes?

[Answer] As a politician, Barrantes is a man who has shown great capacity and calm. I would say, then, that he is much more of a politician than a government official, since his personal merits have not been reflected in the council. During his administration, inefficiency and improvisation have been seen, showing that the United Left was not prepared to govern. In many respects, Lima has slipped backwards, and if some work is under way, it is not thanks to the initiative of this municipal administration. While Eduardo Orrego was in office, credit was obtained from the World Bank for projects which, as it so happened, Barrantes was to initiate. As a result, the United Left should admit that Orrego saved Barrantes.

[Question] Would it be difficult to administer the municipality of Lima if the APRA [American Popular Revolutionary Alliance] controlled the central government?

[Answer] Not at all. To judge from my experience with the Miraflores Council, since I have had no major problems and do not expect to have, with the Popular Action and to date with the APRA, I do not believe there will be difficulties with this sort. It must be understood first of all that municipal action is not political action. The United Left failed precisely in making the municipal administration a platform for political activity. Obviously, the ideological concept of each group will be reflected in the work done.

I think moreover that it is the responsibility of all politicians to seek lines of agreement rather than confrontation, and, consistent with this same attitude, to attempt to contribute rather than to demand everything from the central government. In the final analysis, I do not think that the APRA will try to be obstructive.

[Question] What is your view of the administration of Alan Garcia?

[Answer] This government is surprisingly active and different from all the preceding ones, although I believe that there are many fundamental aspects which have still not been defined, especially where the development strategy is concerned. However, the balance is positive after these first 3 months of administration.

[Question] What party has the best chance of winning the post of mayor of Lima, in your view?

[Answer] The great competition this coming year will be between the APRA and the PPC. I am optimistic, and I believe in the confidence of my people, who want to see achievement. It must be admitted that the APRA cannot control the 1986 municipal elections merely one year after winning power. In the event that Alfonso Barrantes runs for reelection, I am certain that the APRA will not surrender the advantage either, solely to maintain good relations with the United Left. I do not believe, as has been postulated, that the APRA would sponsor a losing candidate, if Barrantes runs for office. On the contrary, it would put forth one of its best men. But, on the other hand, I do believe that the APRA might lose the elections through the candidate of the PPC.

IU: Acosta del Pozo

Lima EL NACIONAL in Spanish 1 Dec 85 p 11

[Interview with Franklin Acosta del Pozo, mayor of Ate Vitarte, in that municipality; date not given]

[Text] Franklin Acosta del Pozo, who is married, has two children and is 38 years old, has in recent weeks become one of the strongest candidates to compete in the IU [United Left] for the seat presently occupied by Alfonso Barrantes Lingan. Whether he is successful or not, will obviously have to do with what happens in the coming months on this front internally, but for the time being, he appears as the most visible leader in a contest which will inevitably become very harsh.

Mayor of Ate Vitarte since 1980, Acosta has experience and charisma working for him, those who have known him well for some years say. On the one hand, he has made his administration one of the most efficient. "From a council which had a deficit of 200 million soles," he says, "we have created a municipality which in this year alone, has invested more than 4 billion soles in projects." In talking with him in his office as mayor of Ate Vitarte, while he was waiting to receive some delegations from new settlements, we asked him about his view of the present municipal administration.

[Answer] In my view, there are successful district councils such as that of Chorrillos, Independencia, Surco, Villa El Salvador, and, naturally, our own.

Not for personal reasons, but because there are projects here to prove it. And there are bad municipalities, such as Brena.

[Question] Does this mean that the APRA is not ensuring good municipal administration?

[Answer] No, in my view it does not. Perhaps the administration of Rosa Carbajal in Ica could be called positive, but nothing more.

[Question] Why then is Ate a successful municipality, on the other hand? Because its mayor says so?

[Answer] No, it is not a question of what its mayor says. It is the reality. Remember, first of all, how we were taxed within our district limits and on our resources under the preceding government, despite the fact that it is known that we are a sector with a vast population in young settlements. No attention was paid to this. But you see, we continue to progress, with our people, working here with our technicians and personnel. Now we have recovered and we can say with pride that projects have been carried out thus far this year vastly exceeding what we had planned. Numerically, we have carried out more than 100 projects involving environmental cleanup, electrification, roads, tracks and athletic fields between 1981 and 1985. For example the central highway has been provided with electrical facilities, and in the "Glass of Milk" program, we are serving more than 90 percent of our students. And we have just completed a development plan up to the year 2000.

As you can see, we are thinking of the future. It does not matter whether the men who follow us belong to the United Left or not. Apart from this, we wanted to leave a line, a plan, for those who follow us in the council. But in addition, faithful to our proposed "municipality for all," we are working with the architect Eduardo Orrego, who will be responsible for the entire water, light and sewage project, for Huaycan, the road plan and full cleanup of the district.

[Question] You are being mentioned as the IU candidate for the post of mayor of Lima. What real prospects has the left of getting in again, in view of the support which the APRA seems to continue to have and the deterioration the leftist candidacy for Lima council administration seems to have suffered?

[Answer] First of all, I would like to specify that the talk about my candidacy is the result of the sympathy of some friendly journalists and comrades at the base level. There is nothing concrete yet. Moreover, I personally think it is too early to speak of candidacy, of specific names, when the whole great task to be carried out in our community still remains ahead. But now that the question has been asked, and apart from personalities, as a simple base-level militant in the United Left, I would like to begin by saying that the IU has suffered no deterioration municipally. On the contrary, the administration of Dr Alfonso Barrantes, above and beyond the difficulties encountered, with the economic limitations, working with an extremely demanding and inefficient trade union bureaucracy, and as if that were not enough, having the central government controlled by a group with a different ideology--despite this, I repeat, the administration has been on balance positive. And today this can be more strongly sensed. There is a continuing effort which has begun to develop.

[Question] In connection with changes, this government ran on a platform of change. Since you have even been described as pro-APRA, because of your presumed relations with some leaders, Dr Alan Garcia in particular, what is your assessment of this government, as a mayor and member of the IU?

[Answer] There is an error here. I am not pro-APRA, nor am I going to be. My affiliation is socialist, and for this reason I belong to the IU and to its base level. What has happened is that the president of the republic has referred to me in terms of praise on more than one occasion, for which I thank and respect him, but they in no way alter my political affiliation. That is one thing. Going to the heart of the question, I believe, and there is nothing pro-APRA in this, that in general terms there has been positive administration to date, but there are indications that continue to concern us, such as a violation of human rights. I think that the APRA will try to bypass the president personally in order to deal with the reality which is far from what has been announced from the balcony. In economic terms, there are serious limitations. The measures adopted are of a temporary sort. The program of the APRA as a government moreover, is not known. We do not know what the future actions will be, what will happen in the coming months, or what the parameters for the continued conduct of the country will be. I think that this realm, the economic sector, is the most difficult for this government, and to the extent that, due to its own limitations, it finds itself prevented from effecting the great changes the country needs, its difficulties will inevitably continue to increase, and after a period of grace the crisis may become dangerously more acute. This would be my opinion.

APRA Selection Speculated

Lima CARETAS in Spanish 2 Dec 85 p 19

[Text] Although there is still almost a whole year before the next municipal elections will take place, facts and predictions are already being put forth in Alfonso Ugarte on the options the APRA will offer for these elections.

The APRA candidates will be chosen in an internal electoral process, which will occur, as did that in 1983, in the month of June, although it is not believed that the precandidates will be known prior to Brotherhood Day.

Cordial talks are already taking place among the supporters of those who are now the most frequently mentioned as potential choices for the APRA candidate for the post of mayor of Lima. One is the present minister of interior, Abel Salinas, and another is Dr Jorge del Castillo, who has been heading the prefecture of Lima. It is very difficult to predict, since the two have worthy party records and their personal background includes sufficient municipal experience. Salinas was even a municipal councilman in Lima under the last regime, while del Castillo was mayor of Barranco.

5157
CSO: 3348/279

PERU

NEWSPAPER PUBLISHES CONCLUSION FROM STUDY ON POLICE FORCES

Selection, Training Requirements

Lima EL COMERCIO in Spanish 6 Dec 85 p A-11

[Text] There is majority support for the idea that the police forces should be unified, in order to avoid the unnecessary waste of economic effort, personnel, etc., leading not to efficiency but to mistrust, disorder, shameful friction between the members of the various establishments, and confusion of functions, as well as responsibilities.

This is one of the most important conclusions provided by those questioned in a report on the organization of the various police forces which have just been put out. The majority demand that unity of command be gradually achieved until such later time as the bodies can be unified.

The president of the Friends of the Civil Guard Foundation, Arturo Woodman, as well as Parliamentarians Jorge Torres Vallejo and Luis Bedoya de Vivanco, who particularly urged that unification should begin with the operation of a single school, agreed that a single police force which could be called "national" should be established.

Opinions were also provided by various officers, including Colonels Isaias Moron Espinoza, Alejandro Hernandez, Dino Baca and Enrique Pajuelo.

Minister of Interior Abel Salinas Yzaguirre, president of the commission entrusted with the reorganization, said for his part that the first fruits of the task being carried out with a view to unification of the police forces can already be seen in the joint actions undertaken by the three institutions.

It was indicated in the report that the level of technical and moral training of the police, especially the lower ranks, is dubious. Also the preselection process for those matriculating in the various schools is inadequate, and this is one of the primary factors in the later behavior of the custodians of law and order.

No one is satisfied with the training of the lower police ranks in an accelerated course of only 6 months, during which period they fire six bullets, some of which are not suitable for use, on only one occasion.

Peruvian psychiatrist Carlos Alberto Seguin and others who were interviewed expressed the view that one basic aspect in any police establishment in any part of the world is moral or psychological training. He said that without such training, an agent can readily be "contaminated" by the constant close association with precisely that crime he is supposed to combat.

In this connection, Minister Salinas said that the process of selecting candidates should be reviewed. They should have an aptitude and a solid ethical foundation if they are not to fall readily into error.

Working Conditions, Benefits

Lima EL COMERCIO in Spanish 7 Dec 85 p A-9

[Text] Crime, which is on the constant increase in this country, has substantial allies in the inadequate conditions under which the police live and work, which offset their efficiency. This is one of the conclusions reached by those interviewed in the drafting of this report.

For example, the police are faced with tuberculosis (some 450 policemen contract this disease every year), low wages (the average is 1,200,000 per month), unhealthy housing in new settlements (80 percent live there), poor health care (medicines must be obtained from Lima and in some provinces, hospital centers are lacking).

The police have access to free medical service only when they are unlucky enough to be injured in the line of duty. The fact that one never ceases to be a policeman is not taken into account. They must take even thermometers and bandages to the hospital, and in the end, they are charged for everything.

To this must be added the very bad working conditions, due to the lack of equipment, and the technical advances from which criminals generally benefit. There are dingy police stations and commissariats (to speak only of those in Lima, which are the best) where the citizens are insulted, because the first thing the police ask them (force the citizens to provide) are office items, fluorescent lights, etc., because the state has not provided an adequate budget, thus contributing to the deterioration of police morality.

The police operate raffles and bingo games and sell key rings and a number of other items, either through the civic committees or by order of certain officers, who in addition commit a series of abuses with the lower ranks.

Not to speak of the police bazaars, where things are more costly than in the street shops. Currently, the GR [Republican Guard] bakery is selling sweet buns at 40,000 soles each, while turkeys go for 30,000 soles per kilogram, but only from a single firm and from 7 kilograms up. The problem will come later with the discounts.

All this and some other things come together to demoralize the police.

Reorganization of the Police

The surveys all agree that the police forces need reorganization, but they all, except of course for Minister Salinas Yzaguirre, say that the way in which this is being carried out is not the proper one. Among the harshest critics is APRA [American Popular Revolutionary Alliance] Senator Jorge Torres Vallejos himself. "The government is committing many errors, among them one which is difficult to correct. That is the dismissal of officers without explaining the reason for the decision. This does harm to individuals."

Also, Deputy Bedoya de Vivanco says: "At least to date, what has been done does not serve to improve and change things. It is good to seek morality, and national conciliation, but without using scapegoats." Also, an expert, GC [Civil Guard] Colonel (Ret.) Hernandez Sanginetti: "Doing this without a technical plan, without calm and by attacking individuals' dignity--this cannot be called good."

Minister Salinas Yzaguirre admits that "it is probable that we are not achieving what we hoped to, but everything is like that. That is how the country is. Where is there a sector which is pure?" Concerning the criticisms, he says that these always exist, "and we do not claim to be perfect, nor to have chosen the best of paths. The important thing is we are advancing."

What Should Be Done?

According to Arturo Woodman, president of the Friends of the Civil Guard Foundation, the subordinate personnel should be suitably trained, apart from unification of the police forces. "It is important that the future policemen be given at least about 18 months of training, within which they can be provided with greater technical knowledge and imbued with a sufficient sense of responsibility."

In the view of GC Colonel Dino Baca and IP [Investigative Police] Colonel Enrique Pajuelo, the key leaders of the Association of Officers retired because of the reorganization of the police forces, a structure should be designed consistent with what is needed to provide the community with good service, and plans for the new organization should be laid such as to "put within it the men which are needed, and if we do not have them, they should be trained."

Senator Torres Vallejos commented that the basic thing is "to determine how the new policemen will be trained, how they will be made professional, how ethics will be inculcated in them, what wages they will earn, etc."

Deputy Bedoya de Vivanco expressed the view that "we should move toward creating an efficient system, which involves not only better training, but also better conditions. Reform is for improvement, which in this case is not occurring. Heads are rolling, nothing more, and many errors are being committed."

"Reorganization is a healthy practice," GC Colonel (Ret.) Hernandez Sanguinetti maintained. "It means adapting the internal structures of a body so that it can provide optimal yield in terms of what is required."

Police Officers Retired Within the Reorganization Measures (Law 24294)

	Civil Guard	Republican Guard	Investigative Police	Health Police	Total
Lieutenant generals	5	0	3	0	8
Generals	18	10	19	6	53
Colonels	40	18	78	0	136
Lieutenant colonels	29	4	43	0	76
Majors	33	10	53	0	96
Total	125	42	196	6	369

5157
CSO: 3348/292

PESCAPERU ANNOUNCES THREE NEW PRODUCTS FOR HUMAN CONSUMPTION

Lima EL COMERCIO in Spanish 8 Dec 85 Dominical p 2

[Text] PESCAPERU [State Fishmeal and Fish Oil Production Agency] has announced that three products are being placed on the domestic consumer market. Two of them, dried and salted fish and salt-cured sardines, are well-known, mainly on the northern part of the Peruvian coast. The third is a new food product, crackers with a fishmeal base.

The dried and salted product will utilize mainly sardines. We presume that sardines with the highest fat content will be used to avoid excessive rancidity (unless an antioxidant such as BHT [butylated hydroxytoluene]). On the other hand, it should be noted that salt-cured sardines last a short time in good condition, and thus must be consumed almost immediately. Also, we are informed that sardines will also be sold canned in saturated brine. This would improve the quality of the product, but we must note that the container would increase the cost of the product.

We believe that the sale of the products mentioned on the domestic consumer market, if implemented in sufficient volume, would be a good thing. These products are well-known in our country, but unfortunately they have not had wide public acceptance because of the problem of bones. We have taken up this problem repeatedly, proposing the steam treatment of sardines under pressure, whereby fishbones can easily be softened. In this connection we have proposed that the state should contribute so that the groups with the most limited assets could purchase cheap pressure cookers. But as this project could only be carried out over the relatively long run, the problem could be dealt with in the short term by adapting the present popular dining rooms, and establishing new ones, such that they could offer sardines with softened bones, as is the case with the canned products. In this connection, it would also be necessary to establish fish markets using special technology. Obviously, there could be no question of itinerant vendors, since really model fish markets would be needed, equipped with refrigeration facilities, steam pressure sterilizers and, naturally, abundant supplies of electricity, gas and water.

There is no country in which there is heavy consumption of fish products which does not have the proper infrastructure for the retail sale of this delicate but basic foodstuff. We know that there are plans to build four large markets for fishing products. This is only the beginning of what is required for Lima, as the main consumer center. Japan has 3,000 fish stands and fish markets with refrigeration facilities for 2,000 inhabitants, 90 percent of them served by between one and four employees. Let us learn from this example, so that PESCAPERU can become the main supplier of fish products in the country, leaving the production of fish meal aside.

In any case, we must say that the proposed placement of dried and salted fish and salt-cured sardines on the market announced by the manager of PESCAPERU is excellent, provided of course that the minimal conditions required by technology and hygiene are fulfilled. But we must state, on the other hand, that we are deeply concerned by the PESCAPERU announcement that crackers will be made from fishmeal. This is because it is only too well-known that fishmeal is not a food for human consumption. If this product is to be used, it should be only as a protein concentrate, which requires highly refined technology. If fish meal is used directly, it is a great danger to human health, above all for children.

Thus the announcement by the manager of PESCAPERU involves something which often happens in life--one good thing complemented by a bad one. We hope that the good will be retained and the bad withdrawn.

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CSO: 3348/292

BRIEFS

APRA BACKS USSR COOPERATION--In statements made in the Soviet Union, Armando Villanueva, secretary general of Peru's American Popular Revolutionary Alliance, said that the cooperation that the USSR will give to Peru will in no way affect the sovereignty of the Peruvian people. This cooperation represents a great step forward for Peru because it will help the country's economy. In addition, he said that the Peruvian Government is interested in receiving Soviet help in various areas. Top Soviet officials have a great interest in and an understanding of the difficulties affecting Peru and are ready to give immediate help. As everyone knows, Villanueva is visiting the Soviet Union at the invitation of the Soviet Committee for Solidarity With Latin American Peoples. Meanwhile, following a thorough analysis, the Peruvian Government made official an issue of the Quechua and Aymara alphabets. This work, following many studies by scientists and experts of the University of Peru, will be very useful to strengthen the Quechua and Aymara languages and will be published by the Culture Institute. [Text] [Havana International Service in Quechua 2200 GMT 27 Dec 85 PA] /12232

EXECUTIVE BRANCH TO APPOINT ENVOYS--The Executive Branch of Peru has requested permission from the National Congress to appoint new ambassadors to Nicaragua and Cuba. As is known, Peru currently maintains relations with those two countries at the level of charge d'affaires. The Executive Branch proposed the names of Carlos Higueras Ramos and (Armando Lescaro Casio) as ambassadors to Cuba and Nicaragua, respectively. [Text] [Havana International Service in Quechua 2200 GMT 13 Dec 85] /9365

HIGHWAY CONSTRUCTION DECENTRALIZED--In the future the municipalities and the Departmental Development Corporations will be responsible for the coordinated execution of activities for the planning, construction, improvement and maintenance of the local and department road network. This provision was established by the government, within its decentralization plan, by means of Supreme Decree 062-85, promulgated yesterday. The document provides that the Ministry of Transportation and Communications will be responsible for the work pertaining to the national highway network, including bridges and structures along the main roads crossing the length and breadth of the country. The document says that it is necessary to establish the scope of action for the Ministry of Transportation and Communications, the development corporations and municipalities which regard the construction, improvement, repair and maintenance of the country's roads. [Text] [Lima EL COMERCIO in Spanish 30 Nov 85 p A-1] 5157

HYDROELECTRIC PLANT LACKS FUNDS--Arequipa, 30 Nov. Installation of the generating and electromechanical systems for the Charcani V plant is 90 percent complete. The civil engineering, though, has been delayed by economic and financial problems. Work on Charcani is proceeding at a pace 50 percent of normal, it was reported, and this will continue for however long it takes the government to finance the program. The electromechanical work, the installation of generators, turbines, and other components in general are being done in accordance with the plans. The major delay in the civil engineering work concerns the tunnel and aqueduct from Aguada Blanca, which will provide the water to power the turbines, in order to generate 135 megawatts, though this will be done in stages. At a recent nationwide meeting on industrial engineering held in Arequipa, a decision was made to ask the government to grant priority to the completion of this huge power plant, and also to request delivery of studies for the two hydroelectric plants of Lluta and Llucila, part of the integral Majes regional development project. This is a plan to produce no less than 656 megawatts, using waters from the Condoroma dam--which has already been completed--and from the Angostura dam, whose storage capacity will be 1,285 cubic meters of water. [Text] [Lima EL COMERCIO in Spanish 1 Dec 85 p A-16] 7679

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VENEZUELA

FOREIGN MINISTER ON OAS CHARTER, OTHER ISSUES

Article Eight Reforms

Caracas EL NACIONAL in Spanish 6 Dec 85 p A-1

[Text] Cartagena, 5 Dec (UPI)--The foreign ministers of Argentina and Venezuela, Dante Caputo and Simon Alberto Consalvi, respectively, have accepted the decision of the Organization of American States (OAS) to amend the much-discussed Article 8 of its charter, while at the same time launching work in the assembly again to strengthen its tools.

Article 8 deals with the inclusion in the OAS of countries with territorial problems, and with the approval of the amendment, the nations of Belize and Guyana will be able to join the regional organization. Foreign Minister Consalvi said in talking with journalists that Venezuela "deemed it necessary to keep this article in the charter, as opposed to some other nations who proposed its total elimination.

"In the end, a spirit of consensus and compromise prevailed in this assembly, thanks to the good offices of the foreign ministers of Brazil, Peru, Uruguay and Jamaica. We agreed to the amendment of the article," Consalvi explained, after an exhausting work day ended at 1:30 this morning.

"The reasons leading to this consensus and this compromise, naturally, were basically the relations Venezuela has with the Caribbean countries, the importance we assign to them, and the desire for harmony in these relations," Consalvi said.

Definition of OAS Role

Caracas EL UNIVERSAL in Spanish 4 Dec 85 p A-6

[Text] Cartagena, 3 December (AFP)--The excuses Latin America can use for failing to deal with the political, social and economic problems plaguing it are nearly exhausted, Venezuelan Minister of Foreign Affairs Simon Alberto Consalvi said today in an address to the 14th Special Assembly of the OAS.

He therefore urged the governments in this hemisphere to make a sincere examination of their desires, in order to focus efforts on the most critical problems in the region, such as the maintenance of peace and security, which are threatened in Latin America, and the extremely "serious" economic situation on the continent.

"Either we will change our societies, democratize our institutions and establish mechanisms for joint cooperation or we will not make progress in the future," Consalvi said. He added that the OAS can only be what its members are.

So that this organization can play a role better adapted to the contemporary problems in the hemisphere, the Venezuelan foreign minister voiced his agreement with Colombia on the allocation of "broader" functions to the secretary general.

He also said he supports the proposed amendments to the organization's Inter-American Treaty for Peaceful Solutions, better known as the Bogota Pact.

Consalvi also joined the majority of foreign ministers who have to date spoken at this special OAS session and who have stressed the need to defend continental democracy.

He expressed the view that political democracy is not an end in itself, but a mechanism for achieving social and economic democracy, and he urged the governments in this hemisphere to orient their actions toward that goal.

He went on to complain that contrary to what might have been expected, in view of the misfortunes and crisis on the continent, the various nations have adopted individualistic and egotistical positions, instead of joining their efforts and desires.

"Let us not deceive ourselves. This is where the cause of the crisis lies," Consalvi said. He went on to emphasize that "we must reach agreement on the structure we want and can impose on our organization, and this is perhaps the most important, and therefore the most difficult, thing."

Finally, Venezuela, like some other countries, indicated its support of giving the OAS a more universal aspect, stating in this connection that "we must become aware of the changes in attitude which are necessary in order to internationalize it."

Better Understanding With United States

Caracas EL NACIONAL in Spanish 6 Dec 85 p A-23

[Text] Cartagena, 4 December (AP)--Venezuelan Minister of Foreign Affairs Simon Alberto Consalvi said today that, with the amendments made, the OAS is ready to play a transcendent role, but everything will now depend on "understanding between the United States and ourselves."

Speaking as the representative of his colleagues who signed the Cartagena de Indias Protocol, which made important amendments to the OAS charter, Consalvi said that this body will now be "better suited to playing a role of great importance.

"But obviously, this will not be enough. Everything will depend on the will and the determination of the member nations, the vigor with which we are able to imbue it, the influence we are willing to give it, the use of its structures and perseverance in the decisions adopted," he said.

Consalvi noted that Latin America is changing. "The Caribbean is changing and we are all seeking new paths. Our capacity to influence these phenomena and to guide them, to the extent that this is possible, will depend on an understanding of them.

"But it will also depend on the understanding between the United States and ourselves," he said.

The Venezuelan foreign minister warned that the failure to understand that "the vast unemployment" plaguing the continent and the current social conditions will have political-strategic consequences "is a regrettable and tragic error the results of which cannot be foreseen."

He said that few times in the course of Latin American history has "the economic independence of our countries been as ominous and severe as is the case in this decade of the 1980s.

"We must learn from the past and coordinate every possible effort so that the emergency we are now experiencing or suffering from will not substantially affect either the stability and welfare of our countries or our capacity to negotiate and engage in dialogue in other international bodies and sectors," he said.

Consalvi emphasized that it is necessary to encourage, strengthen and develop cultural exchange, "overcoming the barriers of apathy and personal interest."

He recalled that the continent has "the best novelists in the world and profound modern thinkers," and he said that he referred to this "because it is simply the best evidence of our capacities. To utilize them and develop them in other sectors will guarantee that we can play...a more worthy and more significant...role in the world."

Consalvi said that the broader authority granted to Joao Baena Soares, secretary general of the OAS, "are not supernatural powers. We must give him effective and dynamic support, and hope that the OAS will always have secretary generals of the kind he is."

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